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SURFACE
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JOHN D. HEFFNER, PLLC

1920 N St., N.W.

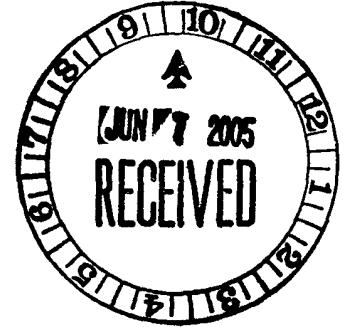
SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

BY HAND

June 6, 2005

Honorable Vernon A. Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

FILED

JUN 6 2005

RE: STB Docket No. AB-441 (Sub-No. 4X), San Pedro
Railroad Operating Company, LLC-Abandonment
Exemption-In Cochise County, AZ,

Dear Mr. Williams:

SURFACE
TRANSPORTATION BOARD

On behalf of San Pedro Railroad Operating Company (SPROC), I am enclosing for filing in the above-captioned proceeding an original and ten copies of a Petition for Exemption for abandonment of a rail line. In addition, I am enclosing a letter addressed to the Section of Environmental Analysis under 49 CFR 1105.8(e) requesting a waiver of the requirements in 49 CFR 1105.8(d)(1) and (3) that applicant furnish a U.S.G.S. topographic or alternate map and good quality photographs of railroad structures for the segments of railroad below milepost 1055.8 near Charleston, AZ (segments 1, 2, and 3).

Consistent with the Board's regulations, Applicant is simultaneously filing a copy of this Petition upon the Arizona Corporation Commission, the Department of Defense, Surface Deployment Distribution Command, the National Park Service, Recreation Resources Assistance Division, and the U.S. Department of Agriculture, Chief of the Forest Service.

Finally, I am enclosing a filing fee check for \$5,200 as well as a copy of this filing on a disk formatted in MS Word.

ENTERED
Office of Proceedings

JUN 07 2005

Part of
Public Record

Please date stamp and return one copy of this
Petition, waiver request letter, and transmittal letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'John D. Heffner', with a long horizontal flourish extending to the right.

John D. Heffner

Enclosures:

cc: David Parkinson
All parties
Chemical Lime Company

ORIGINAL

JOHN D. HEFFNER, PLLC
1920 N ST., N.W.
SUITE 800
WASHINGTON, D.C. 20036
(202) 263-4180
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j.heffner@verizon.net

BY HAND

June 6, 2005

Vicki Rutson, Esq.
Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: STB Docket No. AB-441 (Sub-No. 4X), San Pedro
Railroad Operating Company, LLC-Abandonment
Exemption-In Cochise County, AZ,

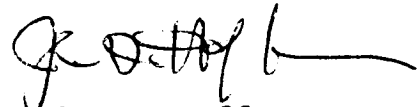
Dear Ms. Rutson:

On behalf of San Pedro Railroad Operating Company (SPROC) and pursuant to the provisions of 49 CFR 1105.8(e), I am requesting that the Section of Environmental Analysis waive the requirements in 49 CFR 1105.8(d)(1) and (3) that applicant furnish a U.S.G.S. topographic or alternate map and good quality photographs of railroad structures for the segments of railroad below milepost 1055.8 near Charleston, AZ (segments 1, 2, and 3). Applicant is submitting photocopies of previously taken pictures of bridges and structures on segments 1, 2, and 3.

The circumstances underlying this request are that segments 1, 2, and 3 have been the subject of prior railroad abandonment requests filed and approved by the Surface Transportation Board or the Interstate Commerce Commission in Docket Nos. AB-441 (Sub. Nos. 1 and 2) and have been the subject of extensive historic documentation and review by the Arizona SHPO in those proceedings. Requiring applicant to submit yet another round of maps and photographs for those segments would be both onerous and unnecessary in view of extensive documentation and review in the past. I am enclosing with this request a copy of a letter sent directly to you from William S. Collins, Ph.D.,

Deputy SHPO, supporting our request. Consistent with our understanding with Mr. Collins' office, I am sending the SHPO topographic maps and color pictures of bridges and structures of segment 4 of the line between milepost 1040.15 At Curtiss and milepost 1055.8 at Charleston, AZ.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'John D. Heffner', with a long horizontal flourish extending to the right.

John D. Heffner

Enclosures:

cc: David Parkinson
All parties
William S. Collins, Ph.D.

"Managing and conserving natural, cultural, and recreational resources"

In reply, please refer to:
SHPO-2005-1150

June 3, 2005



Vicki Rutson
Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Janet Napolitano
Governor

State Parks
Board Members

Chair
Elizabeth Stewart
Tempe

William C. Porter
Kingman

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Flagstaff

Janice Chilton
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Yarnell

Mark Winkelman
State Land
Commissioner

Kenneth E. Travous
Executive Director

Arizona State Parks
1300 W. Washington
Phoenix, AZ 85007

Tel & TTY: 602.542.4174
www.azstateparks.com

800.285.3703 from
(520 & 928) area codes

General Fax:
602.542.4180

Director's Office Fax:
602.542.4188

RE: STB Docket No. AB-441 (Sub No. 4X) ,
San Pedro Railroad Operating Company, LLC

Dear Ms. Rutson:

I have reviewed the material submitted by John D. Heffner, PLLC, regarding the above referenced undertaking pursuant to 36 CFR Part 800 and have the following comments:

Regarding the San Pedro Railroad Operating Company, LLC's (SPROC's) proposed abandonment project in Cochise County, Arizona, in the above referenced case, as you may know, each of the lines proposed to be abandoned as part of the project was already recently abandoned within the last 10 years, but for various reasons, these abandonments were not consummated and now the current owner seeks authority to re-abandon them.

The SPROC has asked my office to concur in a request to the Section of Environmental Analysis that it waive the regulatory requirements for the submission of a topographic or similar map and color photographs of the line as part of its combined environmental and historic report. Normally, I would have no objection to this request in view of the substantial documentation already on file in connection with previous efforts to abandon these rail lines. However, in the course of reviewing my files, I note that the STB conditioned its approval of the 2003 abandonment request for the 19.9 mile segment between MP 1040.15 at Curtiss and MP 1055.8 at Charleston by a SPROC predecessor [SWKR Operating Co.] on compliance with Section 106 of the National Historic Preservation Act. I agreed to give my consent to SPROC's waiver request conditioned on its furnishing my office a topographic or equivalent map and color photographs for this 19.9 segment at the time it submits the final environmental and historic report with its abandonment petition on or about June 1, 2005.

Because these prior abandonments occurred so recently, I verify to the Surface Transportation Board, on behalf of the Arizona State Historic Preservation Office, that, as to the subject rail line south and east of MP 1055.8 at Charleston, our

V. Rutson
6/3/2005
p. 2

concluded that no historic structures exist along the lines, that it does not need a copy of a detailed map showing structures on the lines and does not need to review photographs of structures along the lines in order to make a current assessment of any historic preservation impacts that might occur, and that it would have no objection to the STB waiving the requirements under 49 CFR 1105.8(d)(1) and (3) that the applicant provide a detailed map and photographs of the lines with its Environmental and Historic Report. My office will require that SPROC satisfy the map and color photograph requirements of the regulations as to that portion of the subject rail lines between MP 1040.15 at Curtiss and MP 1055.8 at Charleston.

If you have any questions or requests, you may contact me at (602) 542-7159, or by e-mail at wcollins@pr.state.az.us.

Sincerely,



William S. Collins, Ph.D.
Deputy State Historic Preservation Officer
State Historic Preservation Office

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. AB-441 (Sub-No. 4X)
SAN PEDRO RAILROAD OPERATING
COMPANY, LLC—ABANDONMENT EXEMPTION—
IN COCHISE COUNTY, AZ

PETITION FOR EXEMPTION
UNDER 49 U.S.C. 10502
FROM 49 U.S.C. 10903

John D. Heffner
John D. Heffner, PLLC
Suite 800
1920 N Street, N.W.
Washington, D.C. 20036
(202) 263-4180

Attorney for San Pedro
Railroad Operating
Company, LLC

Dated: June 6, 2005

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. AB-441 (Sub-No. 4X)
SAN PEDRO RAILROAD OPERATING
COMPANY, LLC—ABANDONMENT EXEMPTION—
IN COCHISE COUNTY, AZ

PETITION FOR EXEMPTION
UNDER 49 U.S.C. 10502
FROM 49 U.S.C. 10903

INTRODUCTION

Pursuant to 49 U.S.C. 10502, the San Pedro Railroad Operating Company, LLC (SPROC) seeks an exemption under 49 U.S.C. 10502 from 49 U.S.C. 10903 to permit SPROC to discontinue service over and abandon approximately 76.2 miles of track and railroad right-of-way in Cochise County, AZ. The subject line consists of four segments. (1) The subject line includes the segment of railroad designated as the Bisbee Branch, which extends between milepost 1085.0 at Bisbee Junction, AZ, and milepost 1090.6 at Bisbee, AZ, a distance of 5.6 miles (first segment). The remaining line segments are collectively designated as the Douglas Branch and include (2) the segment of railroad extending between milepost 1097.3 near Paul Spur, AZ, and milepost 1106.5 near Douglas, AZ, a distance of 9.2 miles (second segment); (3) the segment of railroad extending between milepost 1055.8 near Charleston, AZ, and milepost 1097.3 near

Paul Spur, AZ, a distance of 41.5 miles (third segment); and (4) the segment of railroad extending between milepost 1040.15 near Curtiss, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 19.9 miles (fourth segment).¹ The subject lines traverse United States Postal Service Zip Codes 85602, 85603, 85607, and 85615. SPROC does not anticipate any opposition to this request and urges the Board to grant this Petition as expeditiously as possible.

STATEMENT OF FACTS

The subject abandonment represents the last chapter of a railroad line, which has had many owners and many valiant efforts to preserve railroad service over it. In late October 2003, SPROC sought Surface Transportation Board authorization by exemption to acquire and operate over the subject line as part of its acquisition of all railroad properties of a carrier formerly known as the SWKR Operating Co. Inc. (SWKR). See San Pedro Railroad Operating Company, LLC-Acquisition and Operation Exemption-SWKR Operating Co. Inc., STB Finance Docket No. 34430 (STB served Nov. 21, 2003). SPROC proceeded to rehabilitate and

¹ This distance of 19.9 miles is correct. The mileposts along this segment do not line up properly.

restore to common carrier service the segment of this railroad between Curtiss, AZ, and Paul Spur, AZ.²

Although SPROC has acquired common carrier authority over the segments of the railroad between Bisbee Junction and Bisbee and between Paul Spur and Douglas, SPROC has not attempted to rehabilitate or restore service to these segments.

As noted in the introduction, the subject rail properties consist of four discrete segments:

- (1) Bisbee Junction to Bisbee. This segment of railroad is designated as the Bisbee Branch, which extends between milepost 1085.0 at Bisbee Junction, AZ, and milepost 1090.6 at Bisbee, AZ, a distance of 5.6 miles. On October 12, 1995, SWKR obtained exemption authority to abandon this segment of the subject line. See SWKR Operating Co.--Abandonment Exemption--in Cochise County, AZ, STB Docket No. AB-441 (Sub-No. 1X) (STB served Oct. 12, 1995). Beginning February 24, 1997, this segment was operated under an agreement for trail use/rail banking, first by San Pedro Trails, Inc. (SP Trails) and subsequently by

² As relevant, the ownership and operating history of the subject railroad are described at length in the accompanying verified statement of SPROC's Chairman David Parkinson. The segment between the interchange with the Union Pacific Railroad at Benson and Curtiss has never been the subject of an abandonment proceeding. Parkinson V.S. at 1-2.

Cochise Trails, LLC (Cochise Trails). In November of 2003, SPROC acquired operating authority over this segment.

- (2) Paul Spur to Douglas. This segment of railroad is part of the Douglas Branch and extends between milepost 1097.3 near Paul Spur, AZ, and milepost 1106.5 near Douglas, AZ, a distance of 9.2 miles. On October 12, 1995, SWKR obtained exemption authority to abandon this segment of the subject line. See SWKR Operating Co.-Abandonment Exemption-in Cochise County, AZ, STB Docket No. AB-441 (Sub-No. 1X) (STB served Oct. 12, 1995). Beginning February 24, 1997, this segment was operated under an agreement for trail use/rail banking, first by SP Trails and subsequently by Cochise Trails. In November of 2003, SPROC acquired operating authority over this segment.
- (3) Charleston to Paul Spur. This segment of railroad is part of the Douglas Branch and extends between milepost 1055.8 near Charleston, AZ, and milepost 1097.3 near Paul Spur, AZ, a distance of 41.5 miles. On February 14, 1997, SWKR obtained exemption authority to abandon this segment. See SWKR Operating Co.-Abandonment

Exemption—in Cochise County, AZ, STB Docket No.

AB-441 (Sub-No. 2X) (STB served Feb. 14, 1997).

By decision and NITU served on July 7, 1998, the Board modified the February 14, 1997, decision to allow SP Trails to negotiate a trail use/rail banking agreement with SWKR. Beginning August 17, 1998, this segment was operated under an agreement for trail use/rail banking, first by SP Trails and subsequently by Cochise Trails.

Beginning November of 2003, SPROC acquired operating authority over, and has served Chemical Lime at Paul Spur via this segment.

- (4) Curtiss to Charleston. This segment of railroad is part of the Douglas Branch and extends between milepost 1040.15 near Curtiss, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 19.9 miles. On November 4, 2003, SWKR obtained exemption authority to abandon this segment. See SWKR Operating Co.—Abandonment Exemption—in Cochise County, AZ, STB Docket No. AB-441 (Sub-No. 3X) (STB served Nov. 4, 2003). However, on November 5, 2003, SWKR filed a letter requesting that the Board vacate the November 4 decision and dismiss the petition for exemption because SPROC

had recently acquired the line pursuant to a notice of exemption to acquire all of SWKR's interest in, and to operate, the subject line. See San Pedro Railroad Operating Company, LLC—Acquisition and Operation Exemption—SWKR Operating Co. Inc., STB Finance Docket No. 34430 (STB served Nov. 21, 2003). On December 17, 2003, the Board vacated the November 4, 2003, decision and dismissed the petition for exemption.

In support of its request, Petition submits as Exhibit A a map depicting the subject line and as Exhibit B the verified statement of its Chairman David Parkinson. As Mr. Parkinson notes, SPROC acquired this line in 2003 with the intent to use it to restore a connection with the Mexican rail system at Naco, AZ, and to haul transborder "overhead" freight. The plan never materialized because SPROC was unsuccessful in persuading the Mexican carrier, Ferromex, to restore this gateway for transborder traffic. Parkinson V.S. at 1.

SPROC has carried some limited carloads of coal and coke for the only on-line shipper (Chemical Lime) during 2004 and 2005; however, it has been unable to sustain the railroad with such limited levels of traffic. Furthermore, despite its efforts to attract traffic, SPROC foresees no prospects for new

traffic in the future. Parkinson V.S. at 2-3. SPROC is working with Chemical Lime to build a transloading facility along its line at Curtiss to allow Chemical Lime to transload inbound coke to trucks for transportation to its plant at Paul Spur. In addition, Chemical Lime plans to use truck transportation to transload and haul inbound coal from the BNSF Railway, Inc. at Deming, NM, to the Paul Spur plant. SPROC does not anticipate that Chemical Lime will oppose this abandonment. See Parkinson V.S. at 3.

Mr. Parkinson's statement describes the service that SPROC has provided over the line during 2004 and 2005 to date as well as the financial results of providing that service. Mr. Parkinson's testimony establishes that SPROC incurred an out of pocket loss of \$220,337 for 2004. For the year 2005, Mr. Parkinson notes that SPROC has an estimated opportunity cost of approximately \$840,000.³ Mr. Parkinson also stated that SPROC would need to invest approximately \$600,000 in track, right of way, and bridge repairs to maintain the subject line in a minimally serviceable condition. Parkinson V.S. 2-4.

In support of its request, SPROC submits as Exhibit C hereto a copy of a draft Federal Register notice as required by

³ SPROC calculated this estimated opportunity cost by multiplying the net liquidation value of the property, \$6 million, by the nominal rate of return, 14%. See Mississippi Tennessee Holdings, LLC—Abandonment Exemption—in Union, Pontotoc, and Chickasaw Counties, MS, STB Docket No. AB-868X, Petition for Exemption, p. 13-14.

49 CFR 1152.60(c). SPROC also submits a final combined Environmental and Historic Report.

The subject line does not contain any Federally granted rights-of-way. Any documentation in Petitioner's possession will be made available promptly to those requesting it.

A copy of this Petition has been served on all known shippers located on the subject line as well as the affected political subdivisions.

ARGUMENT

SPROC seeks an exemption under 49 U.S.C. 10502 from 49 U.S.C. 10903 to permit it to discontinue service over and to abandon the subject line. As pertinent, 49 U.S.C. 10903 forbids a rail carrier from abandoning any part of its railroad and discontinuing service unless the Board finds that the abandonment and discontinuance would serve the public convenience and necessity.

SPROC believes that its request is appropriate for an exemption from the formal procedures of 10903. Under 10502(a), Congress intended for the Board, in a matter related to a rail carrier providing rail transportation subject to its jurisdiction, to exempt a person, class of persons, transaction or service whenever it finds that the application of a provision of this subtitle - (1) is not necessary to carry out the

transportation policy of 10101 of this title, and (2) either (a) the transaction or service is of limited scope, or (b) the application of a provision of this subtitle is not needed to protect shippers from the abuse of market power.

Indeed, the legislative history behind 10502 (and its predecessor 10505) makes clear Congress' intent that the Interstate Commerce Commission (and now the Board) uses its exemption authority liberally to free certain transactions and services from the administrative and financial costs associated with continued regulation. In discussing the exemption powers of the Board's predecessor - the I.C.C. - the Staggers Act legislative history states:

The policy underlying this provision is that while Congress has been able to identify broad areas of Commerce where reduced regulation is clearly warranted, the Commission is more capable through the administrative process of examining specific regulatory provisions and practices not yet addressed by Congress to determine where they can be deregulated consistent with the policies of Congress. The conferees expect that, consistent with the policies of this Act, the Commission will pursue partial and complete exemptions from remaining regulation.

H.R. Rep. No. 96-1430, 96th Cong. 2d Sess. 105 (1980); see also, Exemption from Regulation-Boxcar Traffic, 367 I.C.C. 424, 428 (1983), vacated and remanded on other grounds, Brae Corp. v. United States, 740 F.2d 1023 (D.C. Cir. 1984). This statement applies equally to the Board, as the I.C.C.'s successor.

Exemption of the proposed discontinuance and abandonment from 10903 is exactly the type of minor transaction that Congress contemplated when it enacted 10502. The transaction proposed here falls squarely within the four corners of 10502 and its predecessor statute. See, e.g., CSX Transportation, Inc.—Abandonment Exemption—In Mecklenburg County, NC, STB Docket No. AB-55 (Sub-No. 549X) (STB served Nov. 21, 1997).

Moreover, but for the current agreements for trail use/rail banking of the first, second, and third segments, and most recently, but for SPROC's own 2003 request to vacate the abandonment exemption authority previously granted as to the fourth segment, the entire subject line would already be abandoned.

A. APPLICATION OF 10903 IS NOT NECESSARY TO FURTHER THE NTP.

Requiring SPROC to comply with the formal requirements of 10903 is not necessary to carry out the Rail Transportation Policy of 49 U.S.C. 10101. That section, added to the Act by the Staggers Rail Act amendments, represents Congress' most recent expression of rail transportation policy. Of these, a grant of the petition would satisfy subsections (2) and (7) by minimizing federal regulatory control over and granting

expedited consideration of SPROC's request to discontinue service over and abandon the subject line.

Furthermore, granting this exemption promotes the policies set forth in 49 U.S.C. 10101(3), (5), and (9) by fostering sound economic conditions and encouraging efficient management by permitting the rationalization of unnecessary rail lines. Three of the segments have been in trail use for several years, and the fourth segment, though active, carries no local or overhead traffic.

Finally, granting the Petition would eliminate the need to file a formal abandonment application under the provisions of 10903 and implementing regulations at 49 CFR 1152.27 et seq. Such an application would be unnecessarily expensive and burdensome given the fact that much of the line has been in trail use for the past several years, the remainder of the line carries no local traffic, and the entire subject line was previously approved for abandonment. In view of these facts and its discussions with Chemical Lime, SPROC does not anticipate any opposition to their request. These considerations, which have led the Board and the former I.C.C. to exempt discontinuance requests in similar situations, justify a grant of SPROC's request. See Union Pacific Railroad Company--Abandonment Exemption--In El Paso County, CO, STB Docket No. AB-33 (Sub-No. 118X) (STB served June 8, 1998).

B. THE TRANSACTION IS OF LIMITED SCOPE.

The transaction unquestionably satisfies the limited scope test of 10502(a). Much of the subject line has been under rail use/rail banking for several years and, therefore, has carried no traffic during that time. The remaining segment generates no local traffic. The amount of traffic handled for Chemical Lime has been limited, well under 250 car loads per year over the roughly 61 miles between Curtiss and Paul Spur.

By any measurement that the Board chooses to use, this abandonment and discontinuance proposal is clearly limited in scope within the meaning of 49 U.S.C. 10502(a)(2)(A). A finding to that effect would be consistent with—and is indeed required by—the relevant facts of this case and relevant precedent. See CSX Transportation, Inc.—Abandonment Exemption—in Mecklenburg County, NC, STB Docket No. AB-55 (Sub-No. 549X), supra.

C. APPLICATION OF 10903 IS NOT NECESSARY TO PROTECT SHIPPERS
FROM ABUSE OF MARKET POWER

Because this transaction satisfies the limited scope test of 10502(a), SPROC does not need to show that it also meets the alternative test that there is no opportunity to expose shippers to abuse of market power. But even if the limited scope test

were not satisfied, the exemption sought herein would still be warranted by virtue of 10502(a)(2)(B). There is no opportunity for abuse of captive shippers because the one shipper [Chemical Lime] that currently uses the subject line plans to use transload service and is not likely to object to the abandonment.

LEVEL OF LABOR PROTECTION

The interests of railroad employees will be protected by the conditions imposed in Oregon Short Line R. Co.—Abandonment—Goshen, 360 I.C.C. 91 (1979).

CONCLUSION

Accordingly, SPROC respectfully requests that the Board expeditiously grant its request for exemption from the provisions of 49 U.S.C. 10903 to permit it to discontinue service over and abandon the subject line.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John D. Heffner", is written over a horizontal line.

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
Telephone: (202)263-4180

Counsel for San Pedro
Railroad Operating
Company, LLC

Dated: June 6, 2005

CERTIFICATE OF SERVICE

I, John D. Heffner, hereby certify that a copy of the foregoing Petition for Exemption dated June 6, 2005, was sent by first-class United States mail, to:

Thomas Hughes
Distribution Manager
Chemical Lime Company
6263 North Scottsdale Road
Suite 280
Scottsdale, AZ 85250-5402

Richard A. Moffatt
Director of Purchasing
5601 Bridge Street
Suite 200
Fort Worth, TX 76112

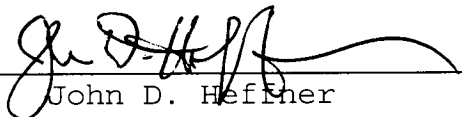

John D. Heffner

EXHIBIT A

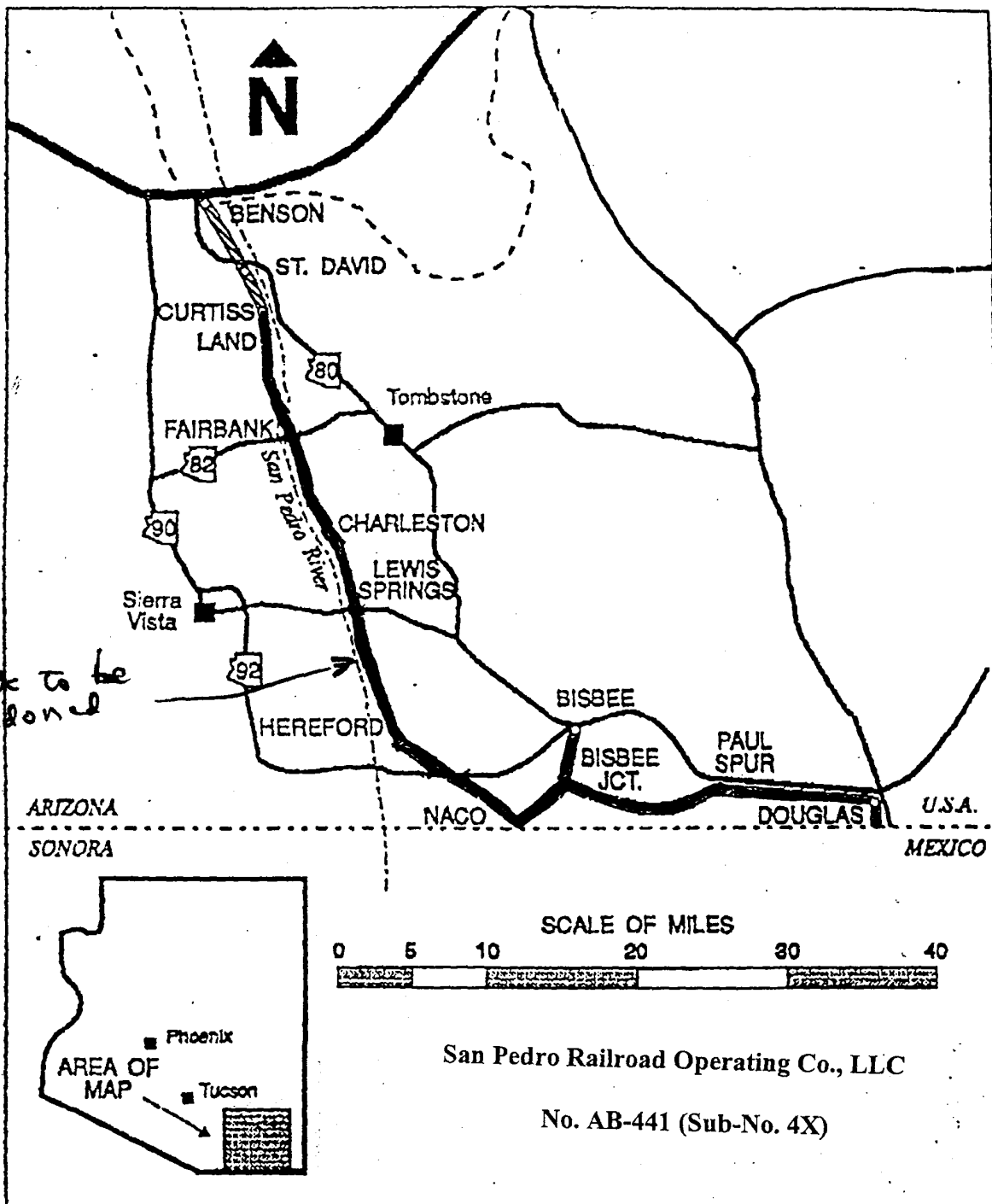


EXHIBIT B

VERIFIED STATEMENT OF DAVID PARKINSON
CHAIRMAN AND CHIEF FINANCIAL OFFICER
ARIZONA RAIL GROUP

My name is David Parkinson. I am Chairman and Chief Financial Officer of Arizona Rail Group, which owns the San Pedro Railroad Operating Company (SPROC). The following is my verified statement of facts supporting the Petition for Exemption to Abandon filed by SPROC.

By way of background, SPROC purchased all of railroad assets of SWKR Operating Co. Inc. (SWKR) in 2003. Those assets included a line of railroad extending from Benson, through Curtiss, to Paul Spur and Douglas, with a branch from Bisbee Jct. to Bisbee, all in the State of Arizona. My intention in acquiring this railroad was to reconnect it with the Mexican railroad, FerroMex, on the other side of the United States/Mexico border in the vicinity of Naco, Arizona. At the time, we felt that this connection would present a good opportunity for developing the substantial and growing trans-border, NAFTA-related traffic. Unfortunately, we were unsuccessful in persuading FerroMex to restore this gateway for trans-border traffic. Without that international overhead traffic, the amount of local traffic on the line south of Curtiss is insufficient to sustain continued operations. Accordingly, I have no choice but to seek authority from the Surface Transportation Board (STB) to abandon the subject line south of Curtiss.

My acquisition of the subject rail line through SPROC really represents the last of many efforts to resuscitate it. The line originally formed one of two parallel mainlines of the former Southern Pacific Railroad (SP) across Arizona. Faced with inadequate traffic levels, SP eventually abandoned the line east of its present southern terminus at Douglas and leased and sold the portion between Benson and Douglas (including the Bisbee Branch) to SWKR, then a subsidiary

of Kyle Railways, a former short line railroad holding company. Thereafter, the SWKR sought and obtained authority to abandon the Bisbee Branch, the segment from Paul Spur to Douglas, and the segment from Charleston to Paul Spur. After Kyle itself was acquired by States Rail, another short line holding company, RailAmerica in turn acquired control of States Rail, and initially tried to develop business on the line. Subsequently, RailAmerica sought and obtained STB authority in 2003 to abandon the rest of the subject rail line from Curtiss to Charleston. In November 2003, SPROC purchased all of the SWKR properties and restored service over the line from Curtiss to Paul Spur operating under the name San Pedro Railroad Operating Company, LLC, d/b/a San Pedro & Southwestern Railroad (SPSR).

During SPSR's first full year of operation under my ownership (2004), the railroad carried 96 carloads of freight over the subject line, consisting of inbound coal and coke for the only active customer, Chemical Lime, to its plant located at the end of the line at Paul Spur. During that year, SPSR incurred \$276,977 in direct operating expenses and earned \$56,640 in revenue, for an operating loss of \$220,337 for that segment. For the year to date through May 15, 2005, SPSR carried 155 carloads of inbound coal and coke for Chemical Lime. For the year to date through March 31, 2005, SPSR incurred \$39,989 in direct operating expenses and earned \$68,815 in operating revenue, for an operating gain of \$28,826 for that segment. Currently, SPSR conducts freight operations over the entire line between Benson and Paul Spur at a frequency of one train per week, round trip. Usually, this train consists of one GP-9 locomotive and 8 to 10 carloads of freight. Since SPROC acquired the line in 2003, SPSR has not provided any service over the Bisbee Branch or on the Douglas Branch beyond Paul Spur as there were no customers and no demand for service. Other than coal and coke, SPSR has carried no freight on the line south of

Curtiss. Motor carrier service is available to meet the needs of Chemical Lime and any other potential rail users. Local copper mining and smelting activities, which traditionally provided much of the local freight business, ceased some years ago. Our efforts as well as those by local officials at attracting new industry to the area have been unsuccessful. I am unaware of any prospects for new rail shippers.

SPSR does not anticipate that Chemical Lime or any other party will oppose this abandonment. SPSR has discussed abandonment of the line with Chemical Lime officials. Chemical Lime has indicated an intent transload to truck coal moving inbound to its Paul Spur plant from the BNSF Railroad at Deming, New Mexico. SPSR intends to move inbound coke for Chemical Lime from Benson (UP interchange) to a transload facility at Curtiss where it will be loaded into trucks for movement to Paul Spur.

Recently, through our own inspections, and those of state and federal railroad inspectors, we have found that certain bridge repairs on the line segment would be required in order to continue long-term safe operation of the railroad. Timber bridges between milepost 1040.15 and milepost 1097.3 will require repairs estimated to cost in excess of \$500,000 in the next two years to sustain operations on this section of the railroad. The track is in FRA class I condition between milepost 1040.15 and 1041.15, adequate for 10 mph speeds. Beyond milepost 1041.15 to the end of present operations at Paul Spur, the line is in an "excepted track condition." I estimate that \$600,000 worth of work would be required to upgrade this track to class I track conditions. The balance of the track is barely operable under any conditions.

The subject rail lines currently have an estimated net liquidation value of \$6 million including both right of way and track materials. Under the STB's current cost of capital standards, I would estimate that the subject rail lines have an annual opportunity cost of \$840,000.

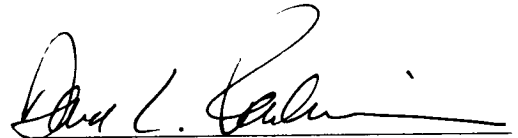
Considering the combined direct operating costs and opportunity costs, SPSR is incurring an annual deficit of more than \$800,000 by providing service over the subject line, not including an estimated \$600,000 that will soon be required for certain bridge and track repairs on the line. The limited amount of traffic present on the subject line is insufficient to justify its continued operation and maintenance. The revenue generated by the limited amount of traffic does not justify the high opportunity cost of failing to invest the funds that we currently invest in the subject line in more successful projects elsewhere. This high opportunity cost will only increase if SPSR is forced to incur huge costs to conduct anticipated and necessary repairs to maintain the viability of the line. The line simply provides a vastly insufficient return on the required investment.

VERIFICATION

STATE OF CALIFORNIA

CITY OF PALM DESERT

DAVID L. PARKINSON, being duly sworn according to law, hereby deposes and states that he is authorized to make the Verification, has read the foregoing document, and knows the facts asserted therein are true and accurate as stated, to the best of his knowledge, information, and belief.



Subscribed and sworn to before me, a Notary Public, in and for the City of

PALM DESERT in the State of CA, this 25 day of MAY 2005



Notary Public

My Commission expires:

Aug 30 2005

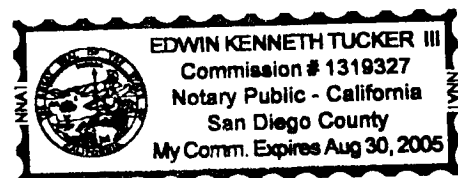


EXHIBIT C

NOTICE OF PETITION FOR EXEMPTION TO
DISCONTINUE SERVICE AND ABANDON

On June 6, 2005, San Pedro Railway Operating Company, LLC (SPROC) filed with the Surface Transportation Board, Washington, D.C. 20423, a petition for exemption for the abandonment of (and discontinuance of service on) a line of railroad in Cochise County, AZ. The subject line includes the segment of railroad designated as the Bisbee Branch, which extends between milepost 1085.0 at Bisbee Junction, AZ, and milepost 1090.6 at Bisbee, AZ, a distance of 5.6 miles. The subject line also includes segments of the Douglas Branch, including the line of railroad between milepost 1097.3 near Paul Spur, AZ, and milepost 1106.5 near Douglas, AZ, a distance of 9.2 miles; the line of railroad extending between milepost 1055.8 near Charleston, AZ, and milepost 1097.3 near Paul Spur, AZ, a distance of 41.5 miles; and the line of railroad extending between milepost 1040.15 near Curtiss, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 19.9 miles. The entire subject line traverses through United States Postal Service ZIP Codes 85602, 85603, 85607, and 85615. The subject line has no stations.

The subject line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

The interests of railroad employees will be protected by the conditions imposed in Oregon Short Line R. Co.--Abandonment--Goshen, 360 I.C.C. 91 (1979).

Any offer of financial assistance will be due no later than 10 days after service of a decision granting the petition for exemption.

All interested persons should be aware that following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use.

Any request for a public use condition and any request for trail use/rail banking will be due no later than 20 days after the notice of the filing of the petition for exemption is published in the Federal Register.

Persons seeking further information concerning abandonment procedures may contact the Surface Transportation Board or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Section of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Section of Environmental Analysis. EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of service.

AFFIDAVIT OF PUBLICATION

STATE OF ARIZONA)
) ss.
COUNTY OF COCHISE)

ZOE JUSSEL

Zoe Jussel

being first

duly sworn, deposes and says: That (he) (she) is the Agent to the Publisher of the SIERRA VISTA HERALD and the BISBEE DAILY REVIEW newspapers printed and published six days a week in the County of Cochise, State of Arizona, and of general circulation in the cities of Sierra Vista and Bisbee, County of Cochise, State of Arizona and elsewhere, and thehereto attached

**PUBLIC NOTICE OF
PETITION OF EXEMPTION**

was printed and published correctly in the regular and entire issue of said SIERRA VISTA HERALD and BISBEE DAILY REVIEW for

1
20 05
made on the 28th day of MAY
and the last publication thereof was made on the 28th day of

20 05
MAY
was made on each of the following dates, to wit:

05/28/05

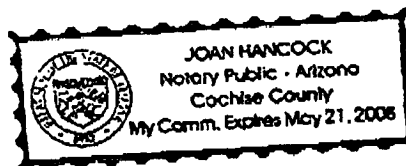
Request of

**Sierra Vista Herald
Bisbee Daily Review**

By

Subscribed sworn to before me this 28th day of MAY

20 05



Notary Public in and for the County of Cochise, State of Arizona

My Commission Expires:

5/21/06

PUBLIC NOTICE

San Pedro Railroad Operating Company, LLC d/b/a San Pedro & Southwestern Railroad (SPROC) gives notice that on or about June 1, 2005, it will file with the Surface Transportation Board a petition for exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10503 et seq., permitting the abandonment of four segments of railroad in Cochise County, Arizona. The segments to be abandoned include the segment of railroad designated as the Bisbee Branch, which extends between milepost 1095.0 at Debes Junction, AZ, and milepost 1099.4 at Debes, AZ, a distance of 4.4 miles. The remaining segments are collectively designated as the Douglas Branch and include the line of railroad extending between milepost 1097.3 near Paul Spur, AZ, and milepost 1100.3 near Douglas, AZ, a distance of 3.0 miles; the line of railroad extending between milepost 1095.9 near Charleston, AZ, and milepost 1097.3 near Paul Spur, AZ, a distance of 1.4 miles; and the line of railroad extending between milepost 1040.15 near Curtis, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 15.7 miles. The subject lines provide United States Postal Service Zip Codes 85607, 85603, 85607 and 85615. The proceeding has been docketed as 5TH Docket Number AU-441 (Sub-No. 43).

The Board's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available for 60 days after the filing of the petition for abandonment exemption. Comments on environmental and other matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to the SEA, Surface Transportation Board, Washington, DC 20420 or by calling SEA at 202-685-1545. Appropriate offers of financial assistance to continue rail service can be filed with the Board. Requests for environmental conditions, public use conditions, or rail banking/lease use also can be filed with the Board. An original and 10 copies of any pleading that raises matters other than environmental issues (such as rail use, public use, and offers of financial assistance) must be filed with the Board's Office of the Secretary, 1925 K Street, NW, Washington, DC 20420 [See 49 CFR 1104.1(a) and 1104.3(a)], and the copy must be served on applicant representative [See 49 CFR 1104.12(b)]. Questions regarding offers of financial assistance, public use or rail use may be directed to the Board's Office of Congressional and Public Services at 202-303-1594. Copies of any comments or requests for conditions should be served on the applicant representative: John U. Heitner, PLLC, 1900 N Street, NW, Suite 500, Washington, DC 20006. PUBLISH: MAY 28 2005

COMBINED ENVIRONMENTAL AND HISTORIC REPORT
Environmental Issues

The following information is provided in accordance with 49

C.F.R. § 1105.7:

(1) Proposed Action and Alternatives

Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

San Pedro Railroad Operating Company, LLC (SPROC) proposes to abandon four segments of its rail line, all in Cochise County, AZ (the subject lines). The subject lines include (1) the line of railroad extending between milepost 1085.0 at Bisbee Junction, AZ, and milepost 1090.6 at Bisbee, AZ, a distance of 5.6 miles; (2) the line of railroad extending between milepost 1097.3 near Paul Spur, AZ, and milepost 1106.5 near Douglas, AZ, a distance of 9.2 miles; (3) the line of railroad extending between milepost 1055.8 near Charleston, AZ, and milepost 1097.3 near Paul Spur, AZ, a distance of 41.5 miles; and (4) the line of railroad extending between milepost 1040.15 near Curtiss, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 19.9

miles.¹ The subject lines traverse United States Postal Service Zip Codes 85602, 85603, 85607, and 85615.

The subject lines currently serve no shippers and carry no commodities. In the past the subject lines have served one principal shipper, Chemical Lime Co. at Paul Spur, for which SPROC and its predecessors have handled inbound coal and coke primarily.

SPROC believes that the subject lines, to the extent that they are not already being put to an alternate use, may be suitable for alternate public use, including trail use/rail banking.

The only alternative to abandonment would be to continue to maintain and operate the subject lines. SPROC believes that an insufficient volume of traffic exists on the subject lines to justify the costs of such maintenance and operation.

(2) Transportation System

¹ Abandonment authority for the first and second segments was obtained on October 12, 1995. See, SWKR Operating Co.-Abandonment Exemption-in Cochise County, AZ, STB Docket No. AB-441 (Sub-No. 1X) (STB served Oct. 12, 1995). However, since February 24, 1997, these segments have been operated under an agreement for trail use/rail banking.

Abandonment authority for the third segment was obtained on February 14, 1997. See, SWKR Operating Co.-Abandonment Exemption-in Cochise County, AZ, STB Docket No. AB-441 (Sub-No. 2X) (STB served Feb. 14, 1997). However, since August 17, 1998, these segments have been operated under an agreement for trail use/rail banking.

Abandonment authority for the fourth segment was obtained on November 4, 2003. See, SWKR Operating Co.-Abandonment Exemption-in Cochise County, AZ, STB Docket No. AB-441 (Sub-No. 3X) (STB served Nov. 4, 2003). However, at the request of the Petitioner, by decision served on December 17, 2003, the Board vacated the November 4, 2003, decision and dismissed the petition for exemption.

Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

SPROC anticipates that the proposed action will have no effect on regional or local transportation systems or patterns and will result in no diversion of traffic to other transportation modes or systems in view of the current lack of activity on the lines.

(3) Land Use

(i) Based on consultation with local and/or regional planning agencies and/or review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies.

SPROC believes that the proposed action will not be inconsistent with local land use plans. On May 12, 2005, SPROC's counsel contacted officials in Cochise County, seeking information as to the current land use plans for each jurisdiction. See Attachment 1. SPROC will provide SEA with copies of any replies as soon as they are received.

(ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land.

On May 12, 2005, SPROC contacted the appropriate National Resource Conservation Services Office² and is currently awaiting their response. See Attachment 2. Applicant will advise SEA as soon as it receives a response.

(iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by § 1105.9.

The subject lines do not pass through a designated coastal zone.

(iv) If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. 10906 and explain why.

SPROC believes the subject lines' rights-of-way are suitable for alternative public use, specifically for a recreational trail under the National Trails Act. Three of the four segments comprising the subject lines are already under trail use/rail banking. The first 20 miles of the right-of-way south of Curtiss lies in the San Pedro Riparian National Conservation Area and may be suitable for a trail.³ SPROC intends to discuss alternate public uses of the right-of-way with affected local interests as well as with Arizona transportation agencies.

² Formerly the U.S. Soil Conservation Service.

³ SPROC holds an easement to this segment. UP owns the underlying right-of-way.

(4) Energy

(i) Describe the effect of the proposed action on the transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) An average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

The proposed abandonment will have no effect on the transportation of energy resources. There will be no effect on the transportation of recyclables. The proposed action will increase overall energy efficiency by saving the energy that would otherwise be needed to maintain the unused subject lines. The proposed action will cause no diversion from rail to motor carrier as the lines currently do not handle any traffic.

(5) Air

Will the proposed action result in (A) a minimum increase in rail traffic of 100 percent (measured in gross tons annually) or eight trains per day on an affected rail line, (B) an increase in rail yard activity of 100 percent as measured in carload activity or (C) an increase in motor carrier traffic of either 50 vehicles per day or an increase in truck traffic exceeding 10 percent of the average daily traffic on a given highway segment? If any of the enumerated thresholds is exceeded, quantify the anticipated increase in air emissions. If a Class I or nonattainment area is affected, are increased emissions

within parameters of the affected State Implementation Plan?

The above thresholds will not be exceeded. See (2) above.

(6) Noise

If any of the thresholds identified in item (5) is surpassed, state whether the proposed action will cause an increase in noise levels exceeding either (i) a three decibel Ldn incremental increase or (ii) 65 decibels?

The above thresholds will not be exceeded.

(7) Safety

(i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings).

SPROC believes that the proposed action will have no impact on public safety.

(ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials.

The proposed action is an abandonment, therefore, no carrier would be transporting hazardous materials over the subject lines.

(iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

There are no known hazardous waste sites on the subject lines, and SPROC is not aware of any hazardous materials spills that may have occurred along the rights-of-way.

(8) Biological Resources

(i) Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.

On May 12, 2005, SPROC's counsel contacted the U.S. Fish and Wildlife Service about the proposed action. See Attachment 3. SPROC does not believe that the abandonment will affect any endangered or threatened species or critical habitats. SPROC will provide SEA with a copy of that agency's response upon its receipt.

(ii) State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected and describe any effects.

SPROC does not anticipate that the abandonment will affect any wildlife sanctuaries or refuges, or National or State parks or forests. Nevertheless, SPROC has contacted the National Park

Service to obtain its views and will furnish SEA with the comments it receives. See Attachment 4.

(9) Water

(i) Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistency.

No in-stream salvage operations will be required. No action known to be inconsistent with federal, state, and/or local water quality standards is contemplated. If any permits or applications are found to be necessary, they will be obtained and any conditions or procedures required by regulatory agencies will be complied with. SPROC has contacted state and federal agencies in Arizona responsible for environmental matters. See Attachments 5 and 5A. Copies of their responses will be furnished upon receipt.

(ii) Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the affects.

On May 12, 2005, SPROC has contacted the U.S. Army Corps of Engineers. See Attachment 6. While SPROC does not anticipate that any permits under Section 404 will be required or that any

designated wetlands or 100-year flood plains will be affected, SPROC will provide SEA with the Corps of Engineers' response.

(iii) State whether permits under section 402 of the Clean Water Act (33 U.S.C. 1342) are required for the proposed action.

On May 12, 2005, SPROC has contacted both the Arizona agency responsible for environmental matters and the U.S. Environmental Protection Agency regarding this question and will provide their comments once received. See Attachments 5 and 5A. SPROC does not anticipate that any permits will be required.

(10) Proposed Mitigation

Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

SPROC does not expect any adverse impacts, therefore it is not proposing any mitigation measures.

Historic Issues

(1) Topographic Map

A copy of a map depicting the subject lines is attached to this report as Attachment 7.

(2) Description of the subject line

The subject lines include (1) the line of railroad extending between milepost 1085.0 at Bisbee Junction, AZ, and milepost 1090.6 at Bisbee, AZ, a distance of 5.6 miles; (2) the line of railroad extending between milepost 1097.3 near Paul Spur, AZ, and milepost 1106.5 near Douglas, AZ, a distance of 9.2 miles; (3) the line of railroad extending between milepost 1055.8 near Charleston, AZ, and milepost 1097.3 near Paul Spur, AZ, a distance of 41.5 miles; (4) and the line of railroad extending between milepost 1040.15 near Curtiss, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 19.9 miles.

Except at station and yard locations, the rights-of-way are generally 100 feet wide, 50 feet on each side of the center line. The topography of the area is curvy with some gentle grades and high desert. The surrounding land has scrub brush and mesquite.

From Curtiss at milepost 1040.15 southward for 20 miles, SPROC owns the track materials and operates over the right-of-way via an easement granted by Union Pacific Railroad Company, which owns the underlying right-of-way. This section of the line runs through San Pedro National Riparian Area and will likely become a trail upon abandonment.

(3) Photographs of structures at least 50 years old

SPROC has communicated with the Arizona State Historic Preservation Office (ASHIPO) on the need to submit color photographs for the subject lines, all which have been approved for abandonment within the last 10 years. ASHIPO has stated that it will verify to the Board in writing that, in the historic review process of those recent abandonment proceedings, it satisfactorily reviewed the lines in question, it concluded that no historic structures exist along the lines, it does not need to review color photographs of structures along the lines in order to make a current assessment of any historic preservation impacts that should occur, and it has no objection to the Board waiving this requirement for color photographs. The Board has indicated that, upon receiving such written acknowledgment from the ASHIPA, it would consider waiving this requirement. Based on these communications, SPROC anticipates that this requirement for color photographs will be waived. Nevertheless, out of an abundance of caution, SPROC is submitting as Attachment 8 photocopies, or black-and-white print-outs, of color photographs submitted in previous abandonment proceedings pertaining to the subject lines in SWKR Operating Co.-Abandonment Exemption-In Cochise County, AZ, Docket No. AB-441 (Sub-Nos. 1X, 2X, and 3X).

(4) Dates of construction/alteration of structures

SPROC is unaware of the exact dates of construction or alteration of the structures along the subject lines, therefore it is treating each bridge as if it were at least 50 years old.

(5) History of carrier operations

By notice served on November 21, 2003, the STB authorized SPROC to acquire from SWKR Operating Co., Inc. and to operate the subject lines.⁴ Three of the four segments comprising the subject lines have been in trail use since the late-1990's. SPROC has operated sporadically over the fourth segment (south of Curtiss) only on as needed basis due to the lack of demand for service.

(6) Documents in carrier's possession

SPROC possesses no documents pertaining to historic structures along the subject lines.

(7) Eligibility for National Register; archeological resources

SPROC is unaware of any structures on the rights-of-way that are eligible for listing in the National Register. On May 12, 2005, it contacted the State Historic Preservation Officer and is awaiting his or her reply. See Attachment 9. SPROC will forward to SEA any comments it receives.

⁴ See, San Pedro Railroad Operating Company, LLC-Acquisition and Operation Exemption-SWKR Operating Co. Inc., (STB Finance Docket No. 34430) (STB served Nov. 21, 2003).

(8) Description of ground disturbance or fill

SPROC believes that there are no existing records as to the nature of any known subsurface ground disturbance or fill, or environmental conditions that might affect the archeological recovery of any potential resources.

Certification

In accordance with the requirement at 49 CFR 1105.7(c), the undersigned certifies that he has sent a copy of the Combined Environmental and Historic Report to all agencies listed at 1105.7(b) and to the State Historic Preservation Officer and that it has consulted with these agencies in preparing this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John D. Heffner', written over a horizontal line.

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
Telephone: (202)263-4180

Counsel for San Pedro
Railroad Operating
Company, LLC

Dated: May 12, 2005

ATTACHMENT 1

JOHN D. HEFFNER, PLLC

1920 N STREET, N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

May 11, 2005

Jody N. Klein
Cochise County Administrator
1415 Melody Lane – Building G
Bisbee, AZ 85603

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

To Whom It may Concern:

This letter is to advise you that San Pedro Railroad Operating Company, LLC (SPROC) proposes to discontinue service over, and abandon, four segments of its rail line, all in Cochise County, AZ (the subject lines). The subject lines include (1) the line of railroad extending between milepost 1085.0 at Bisbee Junction, AZ, and milepost 1090.6 at Bisbee, AZ, a distance of 5.6 miles; (2) the line of railroad extending between milepost 1097.3 near Paul Spur, AZ, and milepost 1106.5 near Douglas, AZ, a distance of 9.2 miles; (3) the line of railroad extending between milepost 1055.8 near Charleston, AZ, and milepost 1097.3 near Paul Spur, AZ, a distance of 41.5 miles; and (4) the line of railroad extending between milepost 1040.15 near Curtiss, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 15.65 miles. On or about June 1, 2005, SPROC will seek Surface Transportation Board (STB) authorization to accomplish the proposed discontinuance and abandonment by filing an individual petition for exemption from the provisions of the 49 USC 10903. This line traverses U.S. Postal Service zip codes 85602, 85603, 85607, and 85615.

Enclosed is a draft Environmental and Historic Report ("EHR"), a document which SPROC must complete and file with the STB as a component of its abandonment filing. The draft EHR explains in greater detail the scope of the proposed rail line abandonment, including a more particular description of the rail line in question. We have also enclosed a map which

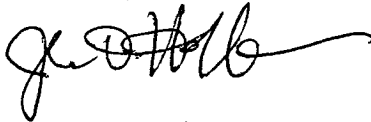
should assist in your review of the environmental and/or historic impacts (if any) which may arise as a consequence of the abandonment or salvage of the rail structure on this line.

We have contacted you at this time to seek your assistance in completing the EHR. You will note that the EHR addresses issues pertaining to local land use plans – particular issues for which we seek your comment. See, item 2 of the EHR at page 3. We encourage you to review the enclosed draft EHR, and contact me, John D. Heffner, within 30 days of the date of this letter, with any feedback or guidance that you may be able to offer. Your feedback will be incorporated into the final EHR, which, as we have mentioned, will be delivered to the STB.

Applicants have not yet filed their abandonment petition at the STB. However, at such time as Applicants submit their request to abandon service over the line in question, we will serve you with copies of the request and the final EHR. At that time, if not sooner, we will supply you with information sufficient for you to issue comments directly to the STB's Section of Environmental Analysis as well as to us.

We appreciate your cooperation. If you have any questions regarding the enclosed materials, please contact me at the address and phone number at the top of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. D. Heffner', with a long, sweeping horizontal line extending to the right.

John D. Heffner
Attorney for
San Pedro Railroad Operating Company, LLC

ATTACHMENT 2

JOHN D. HEFFNER, PLLC
1920 N STREET, N.W.
SUITE 800
WASHINGTON, D.C. 20036
(202) 263-4180
FAX (202) 296-3939
j.heffner@verizon.net

May 11, 2005

U.S. Natural Resource Conservation Service
Arizona State Office
230 N. First Avenue – Suite 509
Phoenix, AZ 85003

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

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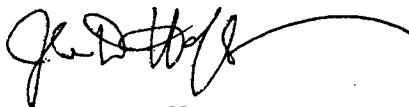
should assist in your review of the environmental and/or historic impacts (if any) which may arise as a consequence of the abandonment or salvage of the rail structure on this line.

We have contacted you at this time to seek your assistance in completing the EHR. You will note that the EHR addresses issues pertaining to prime agricultural land – particular issues for which we seek your comment. See, item 3 of the EHR at pages 3-4. We encourage you to review the enclosed draft EHR, and contact me, John D. Heffner, within 30 days of the date of this letter, with any feedback or guidance that you may be able to offer. Your feedback will be incorporated into the final EHR, which, as we have mentioned, will be delivered to the STB.

Applicants have not yet filed their abandonment notice at the STB. However, at such time as Applicants submit their request to abandon service over the line in question, we will serve you with copies of the request and the final EHR. At that time, if not sooner, we will supply you with information sufficient for you to issue comments directly to the STB's Section of Environmental Analysis as well as to us.

We appreciate your cooperation. If you have any questions regarding the enclosed materials, please contact me at the address and phone number at the top of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'John D. Heffner', with a long, sweeping horizontal line extending to the right.

John D. Heffner
Attorney for
San Pedro Railroad Operating Company, LLC

ATTACHMENT 2-A

United States Department of Agriculture



Natural Resources Conservation Service
230 N. 1st Avenue, Suite 509
Phoenix, Arizona 85003-1706
(602) 280-8801
FAX (602) 280-8809

MAY 17 2005

John Heffner
Attorney
1920 N. Street, NW #800
Washington, DC 20036

Dear Mr. Heffner:

This response is in regard to your letter dated May 11, 2005, regarding the proposed discontinuance of service over, and the abandonment of, four segments of the San Pedro Railroad Operating Company, LLC, rail line in Cochise, Arizona.

The Natural Resources Conservation Service (NRCS) has general responsibility, nationwide, for implementing the Farmland Protection Policy Act (FPPA) and to review projects that may affect prime farmland and/or wetlands associated with agriculture. After reviewing the information provided, the following is noted:

- 1- The proposed new projects if implemented as planned, are exempt from the requirements of the FPPA - as revised in 1994, that excludes land which is already in or is committed to urban development, currently used as water storage, or land that is not prime or unique farmland.
- 2- We do not see any immediate concerns or impacts that would directly affect wetland areas associated with agriculture.

We recommend that any future development projects receive a prime farmland determination prior to any construction activities. Should you have questions, please feel free contact Steve Smarik at 602.280.8785. Thank you again for the chance to review the proposed project.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Barker".

STEVEN M. BARKER
Acting Assistant State Conservationist (T)

cc:

Ralph Ware, ASTC (FO), Tucson, AZ
Steve Smarik, Environmental Coordinator, NRCS, Phoenix, AZ

ATTACHMENT 3

JOHN D. HEFFNER, PLLC

1920 N STREET, N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

May 11, 2005

U.S. Fish and Wildlife Service
P.O. Box 1306
Albuquerque, NM 87103

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

To Whom It may Concern:

This letter is to advise you that San Pedro Railroad Operating Company, LLC (SPROC) proposes to discontinue service over, and abandon, four segments of its rail line, all in Cochise County, AZ (the subject lines). The subject lines include (1) the line of railroad extending between milepost 1085.0 at Bisbee Junction, AZ, and milepost 1090.6 at Bisbee, AZ, a distance of 5.6 miles; (2) the line of railroad extending between milepost 1097.3 near Paul Spur, AZ, and milepost 1106.5 near Douglas, AZ, a distance of 9.2 miles; (3) the line of railroad extending between milepost 1055.8 near Charleston, AZ, and milepost 1097.3 near Paul Spur, AZ, a distance of 41.5 miles; and (4) the line of railroad extending between milepost 1040.15 near Curtiss, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 15.65 miles. On or about June 1, 2005, SPROC will seek Surface Transportation Board (STB) authorization to accomplish the proposed discontinuance and abandonment by filing an individual petition for exemption from the provisions of the 49 USC 10903. This line traverses U.S. Postal Service zip codes 85602, 85603, 85607, and 85615.

Enclosed is a draft Environmental and Historic Report ("EHR"), a document which SPROC must complete and file with the STB as a component of its abandonment filing. The draft EHR explains in greater detail the scope of the proposed rail line abandonment, including a more particular description of the rail line in question. We have also enclosed a map which

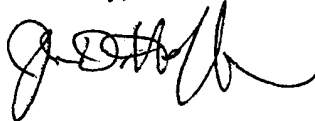
should assist in your review of the environmental and/or historic impacts (if any) which may arise as a consequence of the abandonment or salvage of the rail structure on this line.

We have contacted you at this time to seek your assistance in completing the EHR. You will note that the EHR addresses issues pertaining to in endangered or threatened species or critical habitats – particular issues for which we seek your comment. See, item 8 of the EHR at page 7. We encourage you to review the enclosed draft EHR, and contact me, John D. Heffner, within 30 days of the date of this letter, with any feedback or guidance that you may be able to offer. Your feedback will be incorporated into the final EHR, which, as we have mentioned, will be delivered to the STB.

Applicants have not yet filed their abandonment petition at the STB. However, at such time as Applicants submit their request to abandon service over the line in question, we will serve you with copies of the request and the final EHR. At that time, if not sooner, we will supply you with information sufficient for you to issue comments directly to the STB's Section of Environmental Analysis as well as to us.

We appreciate your cooperation. If you have any questions regarding the enclosed materials, please contact me at the address and phone number at the top of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. D. Heffner', with a stylized flourish at the end.

John D. Heffner
Attorney for
San Pedro Railroad Operating Company, LLC

ATTACHMENT 4

JOHN D. HEFFNER, PLLC

1920 N STREET, N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

May 11, 2005

National Park Service
12795 Alameda Parkway
Denver, CO 80225

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

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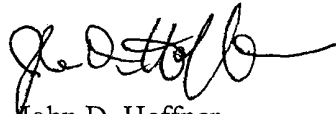
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We have contacted you at this time to seek your assistance in completing the EHR. You will note that the EHR addresses issues pertaining to wildlife sanctuaries or refuges or national or state parks or forests – particular issues for which we seek your comment. See, item 8 of the EHR at pages 7 and 8. We encourage you to review the enclosed draft EHR, and contact me, John D. Heffner, within 30 days of the date of this letter, with any feedback or guidance that you may be able to offer. Your feedback will be incorporated into the final EHR, which, as we have mentioned, will be delivered to the STB.

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Sincerely,

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John D. Heffner

Attorney for

San Pedro Railroad Operating Company, LLC

ATTACHMENT 5

JOHN D. HEFFNER, PLLC

1920 N STREET, N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

May 11, 2005

Arizona Department of Environmental Quality
1110 West Washington Street
Phoenix, AZ 85007

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

To Whom It may Concern:

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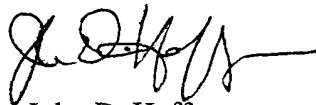
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John D. Heffner

Attorney for

San Pedro Railroad Operating Company, LLC

ATTACHMENT 5A

JOHN D. HEFFNER, PLLC
1920 N STREET, N.W.
SUITE 800
WASHINGTON, D.C. 20036
(202) 263-4180
FAX (202) 296-3939
j.heffner@verizon.net

May 11, 2005

U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

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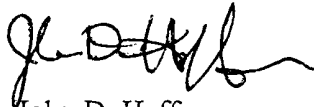
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John D. Heffner
Attorney for
San Pedro Railroad Operating Company, LLC

ATTACHMENT 6

JOHN D. HEFFNER, PLLC

1920 N STREET, N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

May 11, 2005

U.S. Army Engineer District
Los Angeles
P.O. Box 532711
Los Angeles, CA 90053-2325

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

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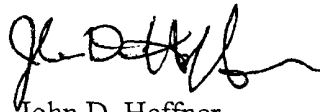
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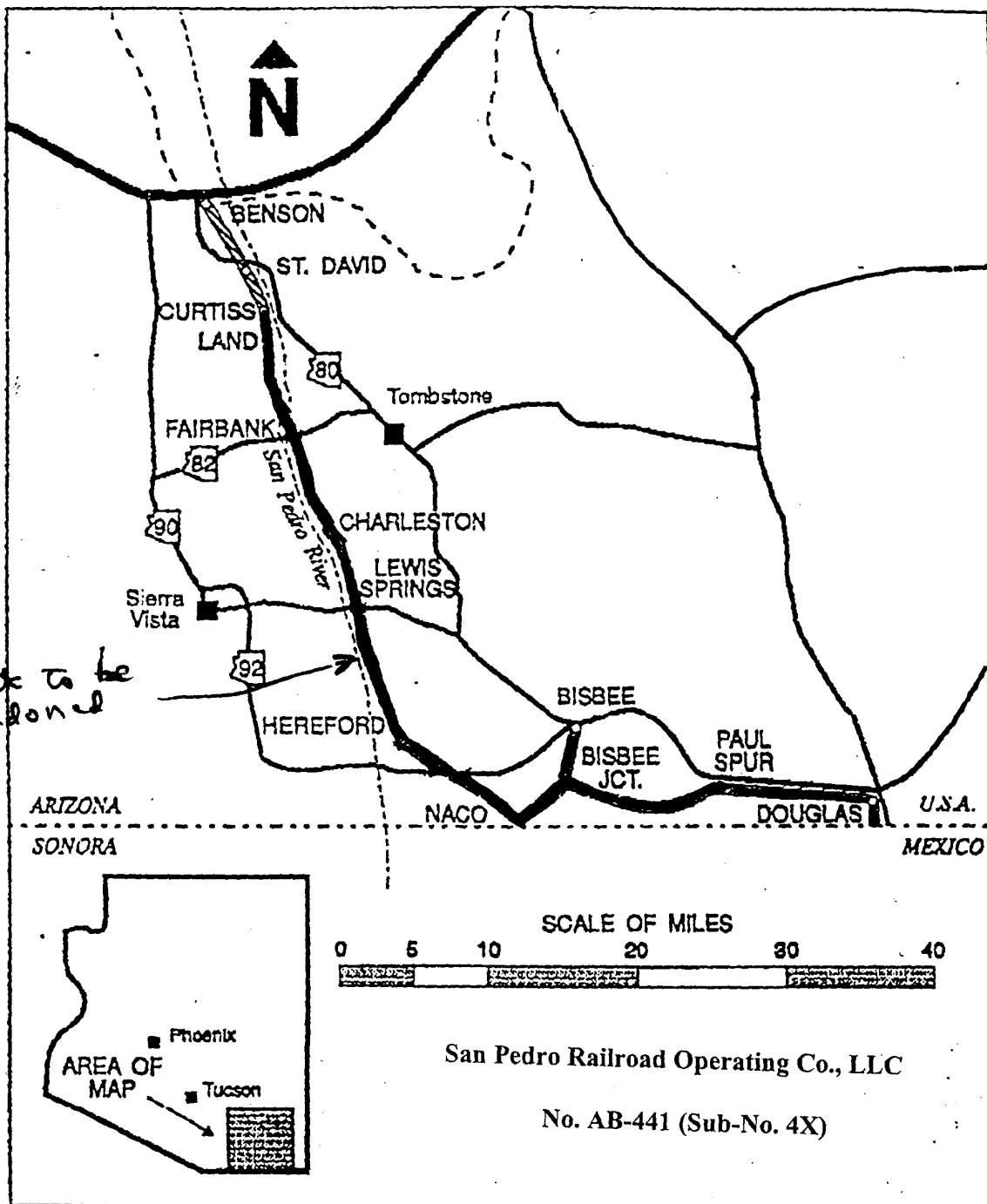
A handwritten signature in black ink, appearing to read 'J. D. Heffner', with a stylized flourish at the end.

John D. Heffner

Attorney for

San Pedro Railroad Operating Company, LLC

ATTACHMENT 7



ATTACHMENT 8

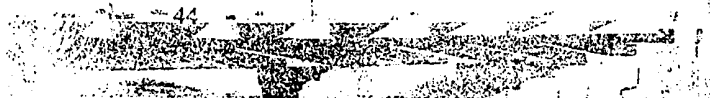
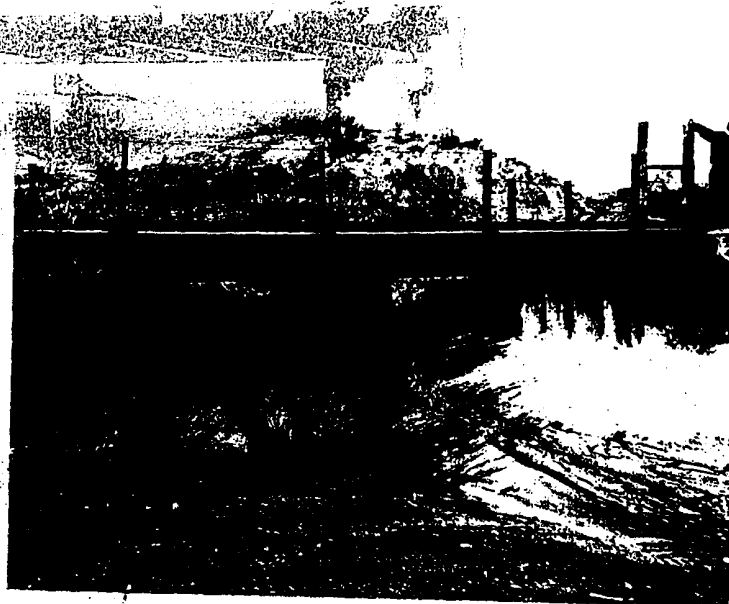
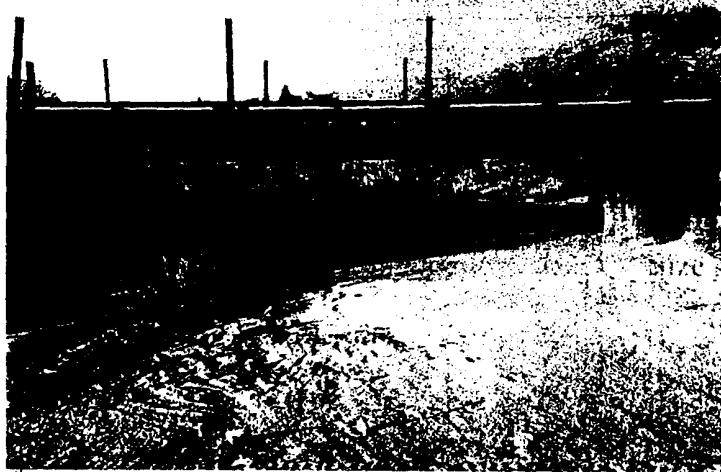
Scene Type Ballast Deck Bridge
Location MP 1033.08

Size 20 Foot



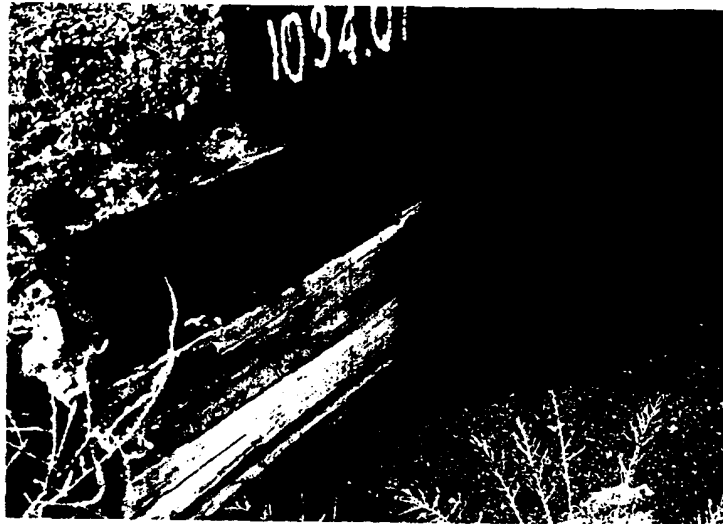
Scene Type Ballast Deck Bridge
Location MP 1033.25

Size 30 Foot



Scene Type Open Deck Bridge
Location MP 1034.07

Size 30 Foot



175
Scene Type Open Deck Bridge
Location MP 1034.75

Size 56 Foot



Scene Type Open Deck Bridge
Location MP 1035.12

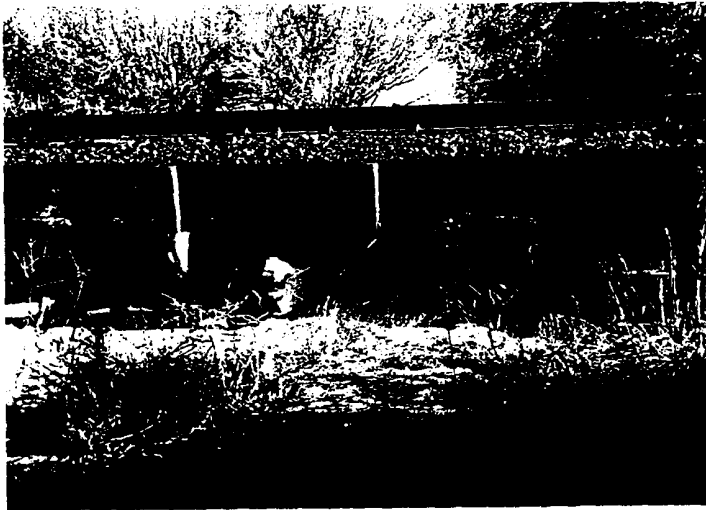
Size 26 Foot



2, 3, 5

Scene Type Ballast Deck Bridge
Location MP 1035.35

Size 28 Foot



Scene Type Ballast Deck Bridge
Location MP 1035.86

Size 28 Foot

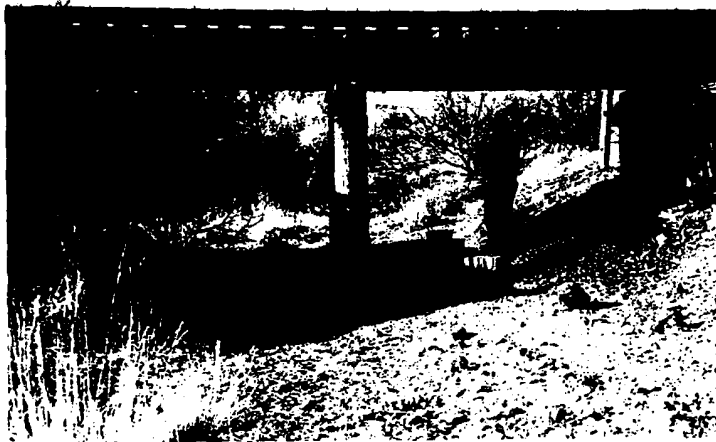
2 . 8 . 6



Scene Type Open Deck Bridge
Location MP 1036.27

Size 30 Foot

3.2.7

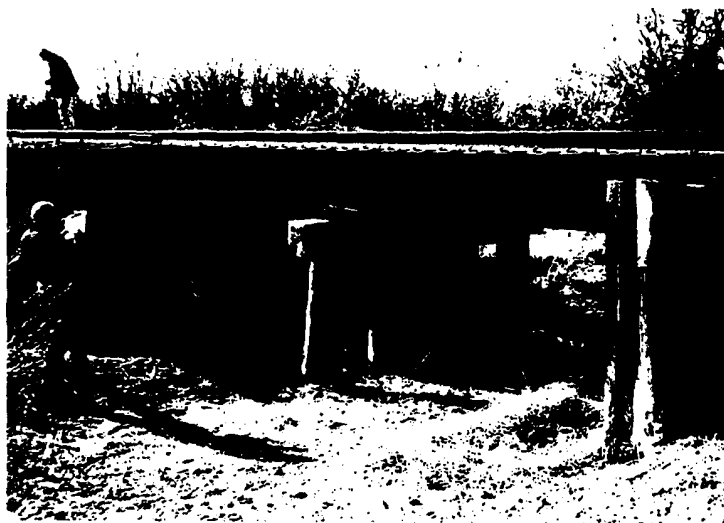
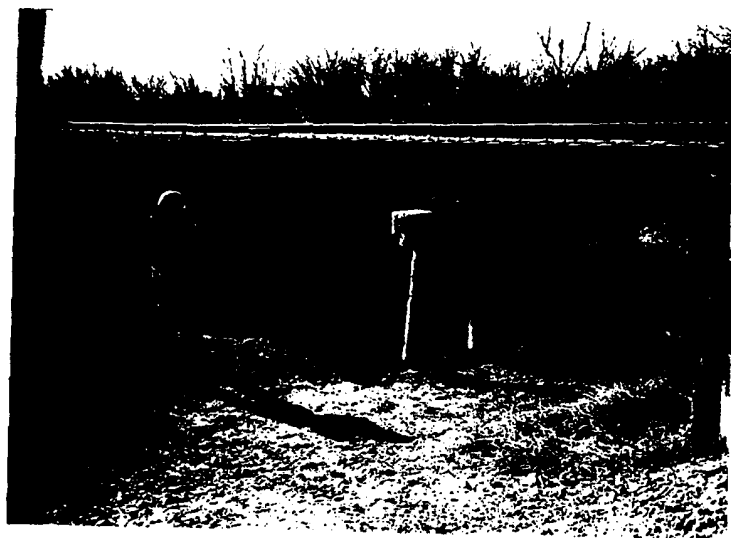


Scene Type Open Deck Bridge

Location MP 1036.70

Size 30 Foot

3.7



Scene Type Open Deck Bridge

Size 29 Foot

Location MP 1036.90

3.9



Scene Type Open Deck Bridge

Size 15 Foot

Location MP 1037.43

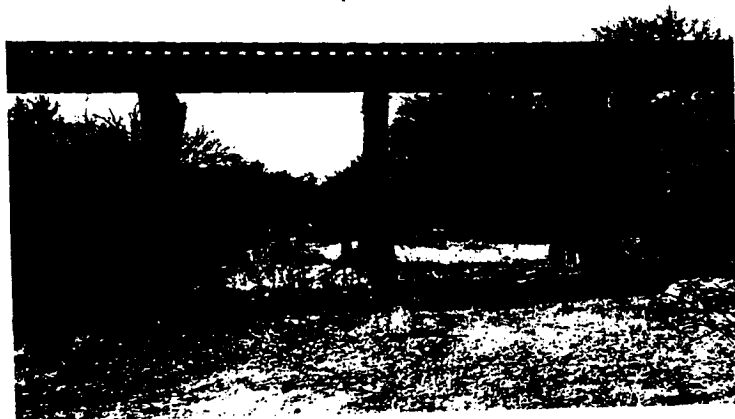
4.4.3



Scene Type Open Deck Bridge
Location MP 1038.32

Size 105 Foot

5.3.2



Scene Type Open Deck Bridge

Size 45 Foot

Location MP 1038.70

5.7



5.7

Scene Type Open Deck Bridge
Location MP 1039.91

Size 45 Foot



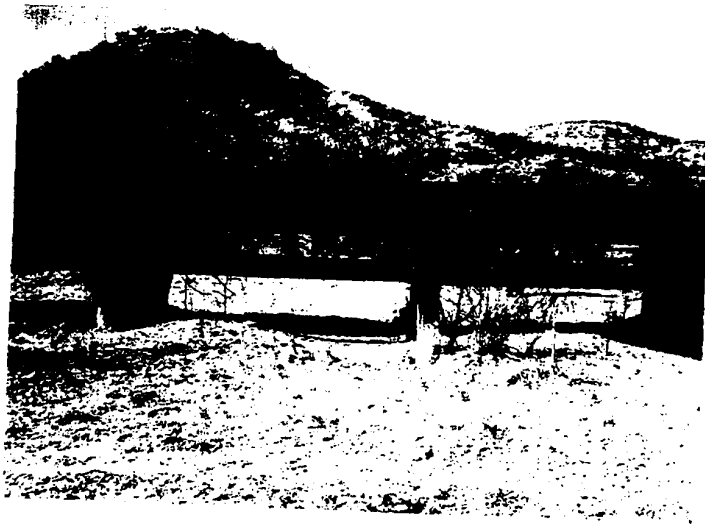
Scene Type Open Deck Bridge
Location MP 1040.58

Size 15 Foot



Scene Type Open Deck Bridge
Location MP 1040.70

Size 84 Foot



Scene Type Open Deck Bridge
Location MP 1041.10

Size 60 Foot



Scene Type Open Deck Bridge

Size 46 Foot

Location MP 1042.97

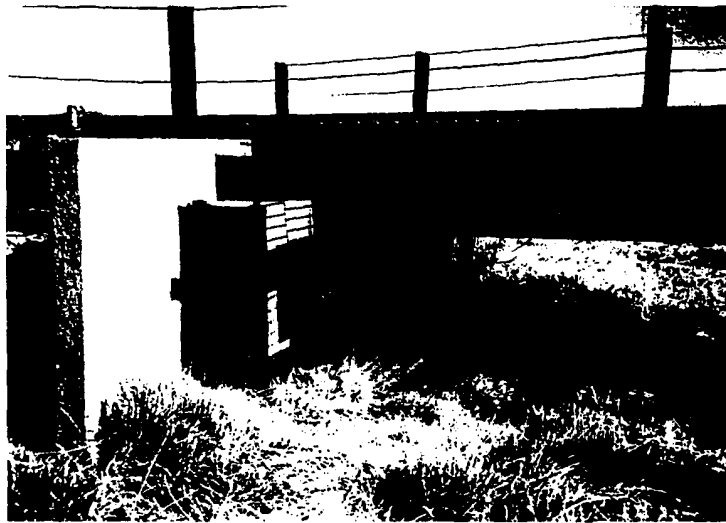
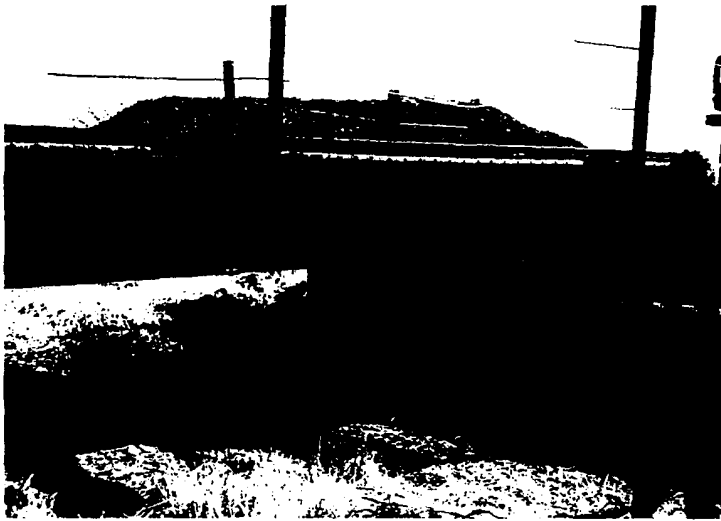
9.9.1



Scene Type Open Deck Trestle
Location MP 1043.44

Size 23 Foot

1044



Scene Type Open Deck Bridge

Size 154 Foot

Location MP 1044.40 *A number of bad pillings and stringers

11.4



Scene Type Open Deck Bridge

Size 154 Foot

Location MP 1044.40 *A number of bad pillings and stringers



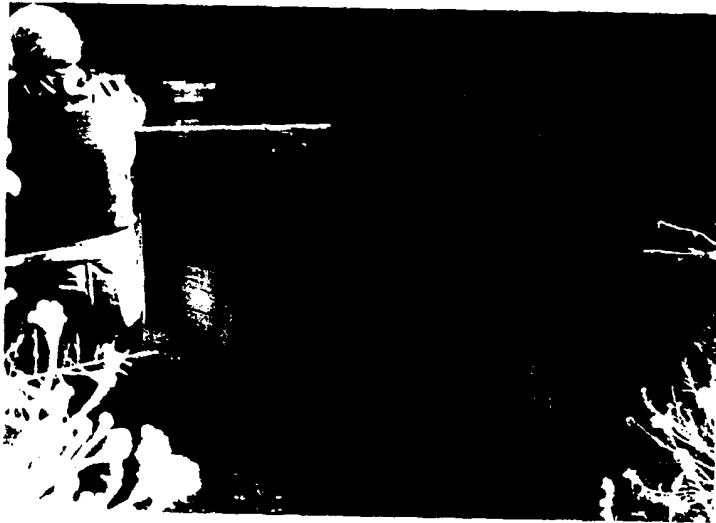
Scene Type PS Concrete Bridge
Location MP 1044.78

Size 160 Foot



Scene Type Open Deck Bridge
Location MP 1045.96

Size 14 Foot



Scene Type Open Deck Bridge
Location MP 1046.52

Size 70 Foot



Scene Type Ballast Deck Bridge
Location MP 1046.77

Size 43 Foot



Scene Type Ballast Deck Bridge
Location MP 1047.16 34.16

Size 56 Foot



Scene Type Open Deck Bridge
Location MP 1047.57

Size 45 Foot



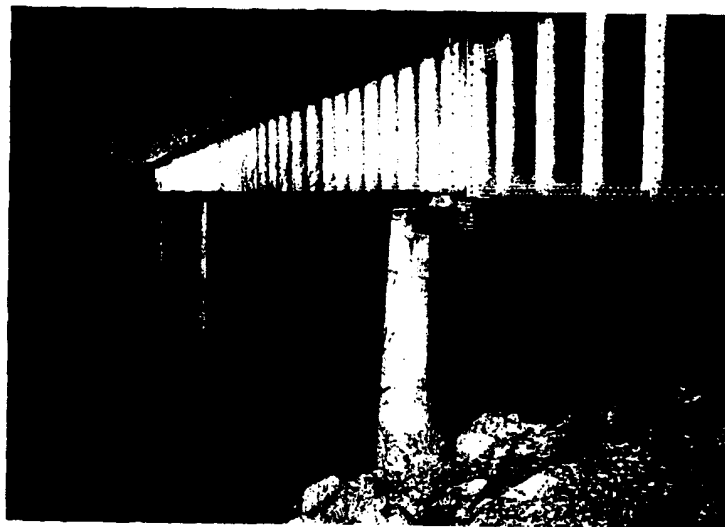
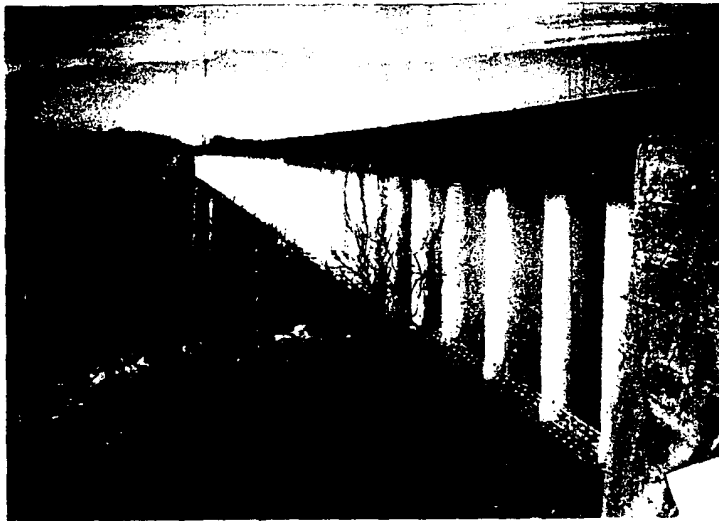
Scene Type Ballast Deck Bridge
Location MP 1049.23

Size 58 Foot



Scene Type Open Deck Steel Gurder
Location MP 1046.93

Size 361 Foot

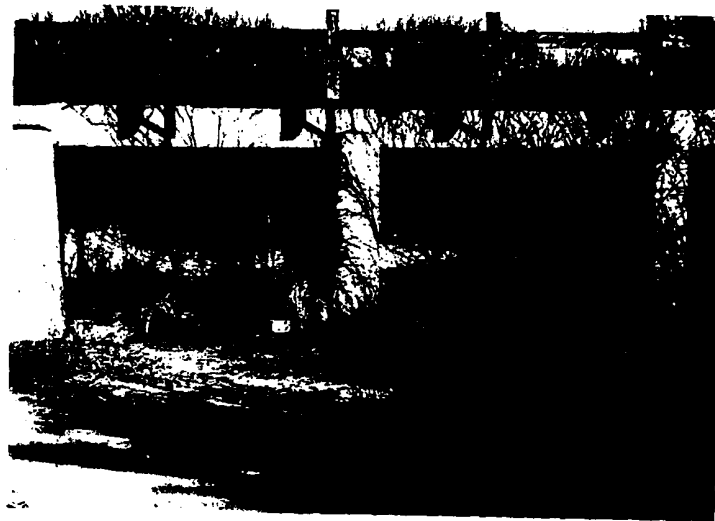


Scene Type Ballast Deck Concrete Slab

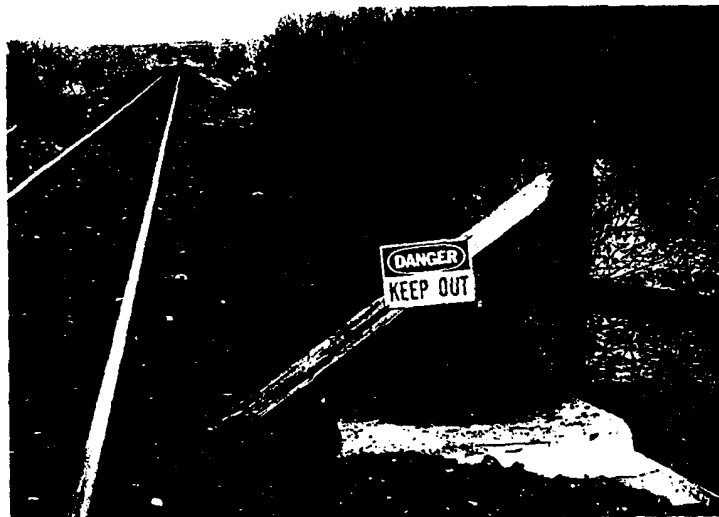
Size 110 Foot

Location MP 1047.52

12.6.5
14.7

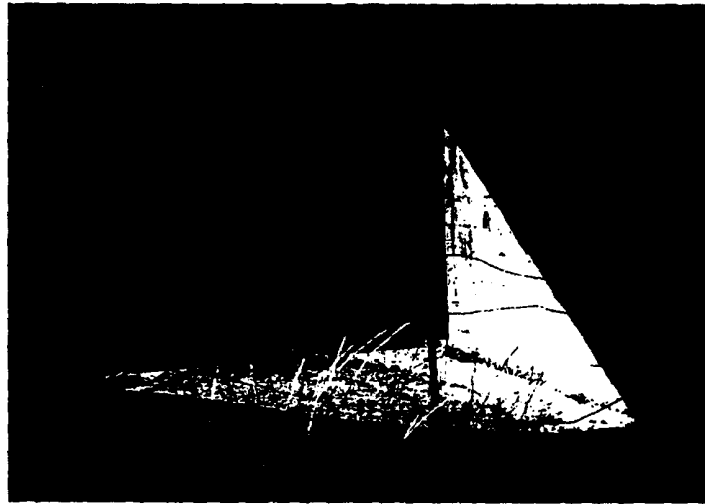
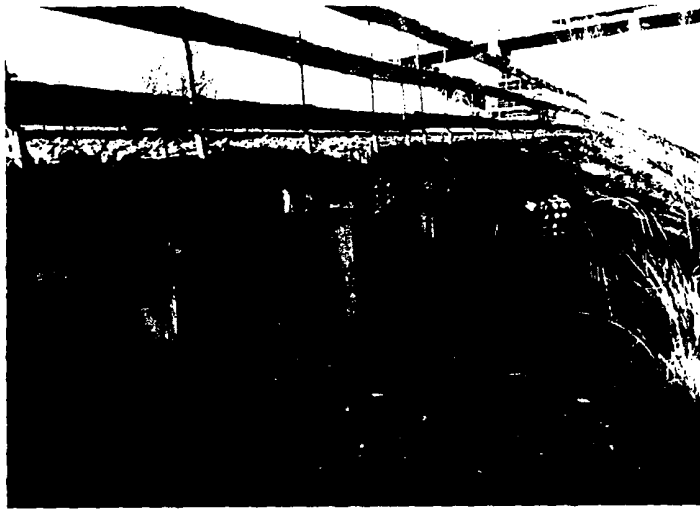


Scene Type Gard Rail Condition on Bridge- Size 110 Foot
Location MP 1047.52



Scene Type Ballast Deck Concrete Slab
Location MP 1047.64

Size 110 Foot



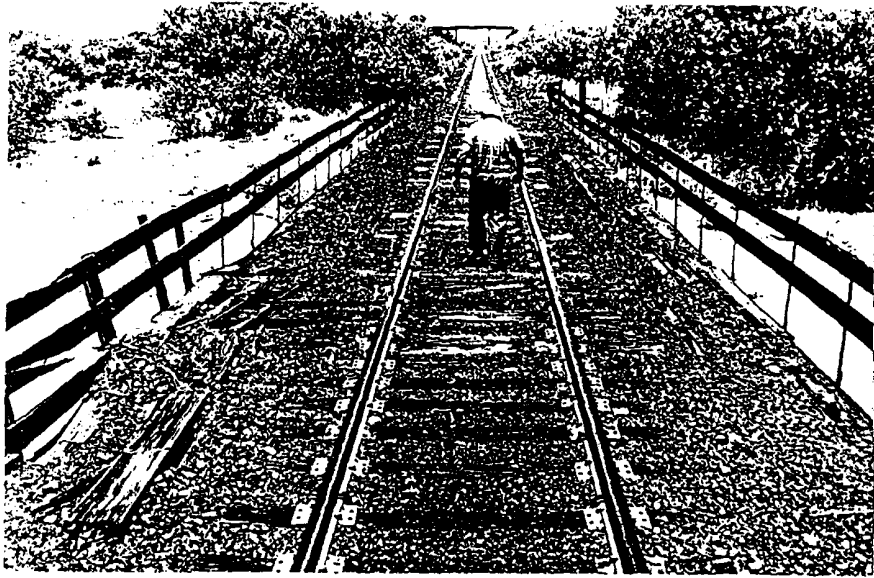
Scene Type Gard Rail Condition on Bridge- Size 110 Foot
Location MP 1047.64



Scene Type Ballast Deck Concrete Slab
Location MP 1047.76

Size 110 Foot

14.7.77



Scene Type Ballast Deck Concrete Slab
Location MP 1047.76

Size 110 Foot

18 77

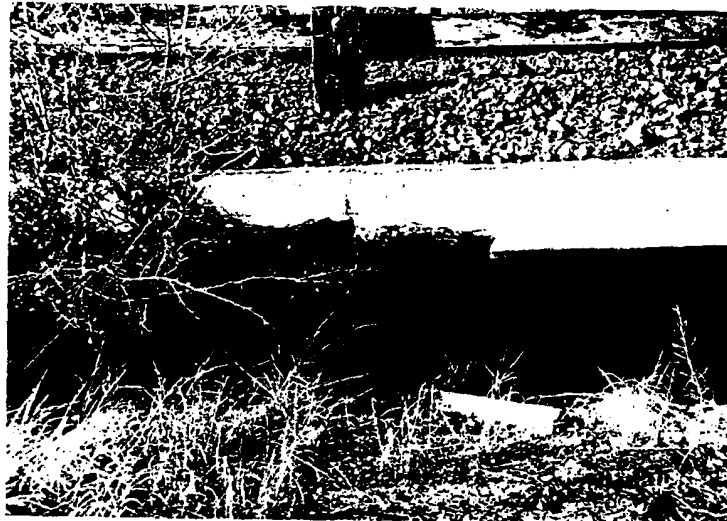


18 77



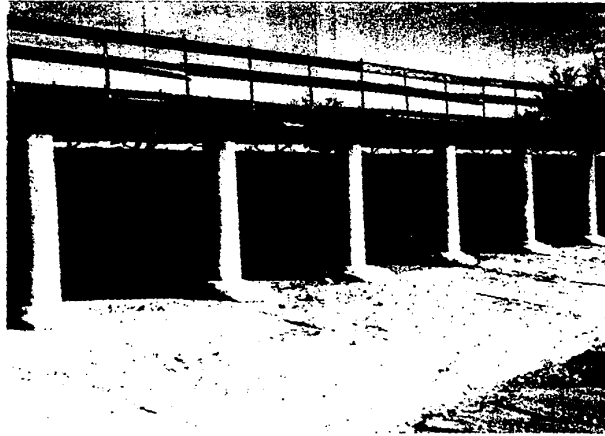
Scene Type Ballast Deck (Concrete Arch)
Location MP 1048.37

Size 10 Foot



Scene Type Ballast Deck Concrete Slab
Location MP 1048.96

Size 50 Foot

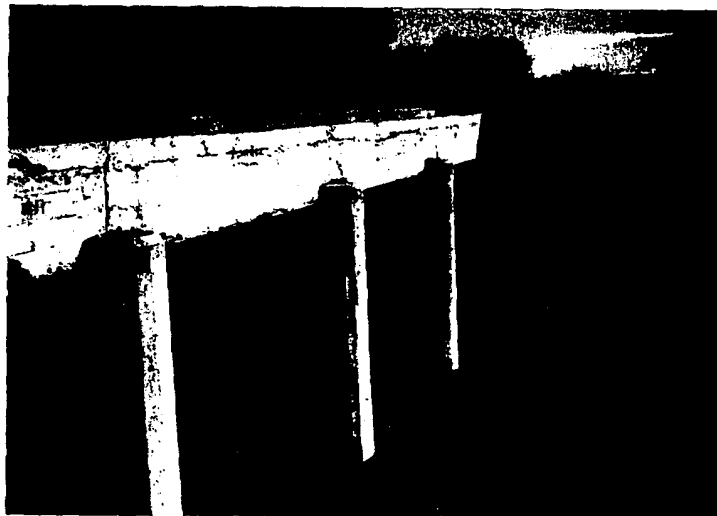
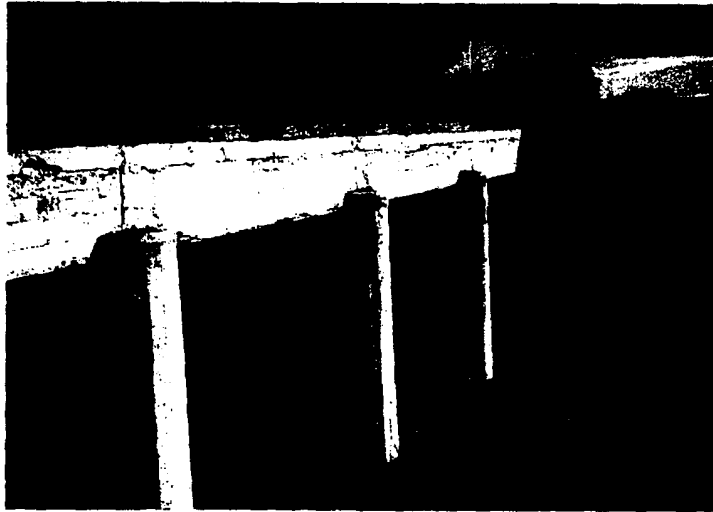


Scene Type Ballast Deck Concrete Slab

Size 62 Foot

Location MP #049.78

1577226 Box 101 24.1



Scene Type Ballast Deck Concrete Slab
Location MP 1050.33

Size 28 Foot

21.75



Scene Type Ballast Deck Concrete Slab
Location MP 1052.46

Size 78 Foot

23.7



Scene Type Ballast Deck (Concrete Arch)
Location MP 1054.32

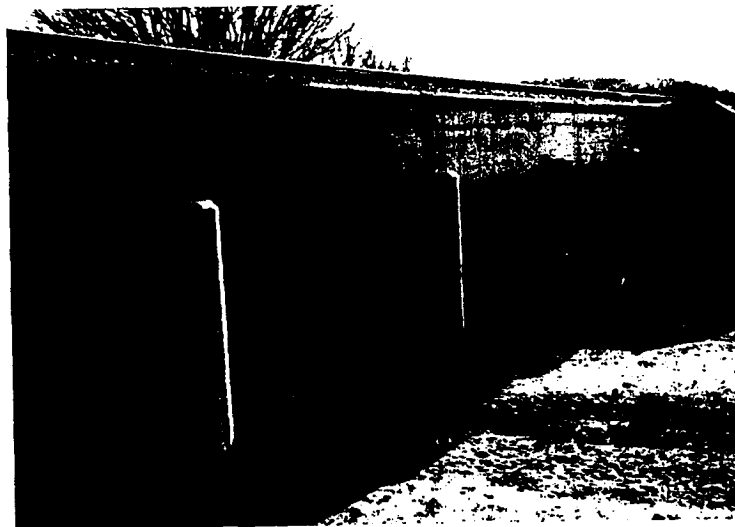
Size 28 Foot



Scene Type Ballast Deck Concrete Slab
Location MP 1056.59

Size 110 Foot

27.2

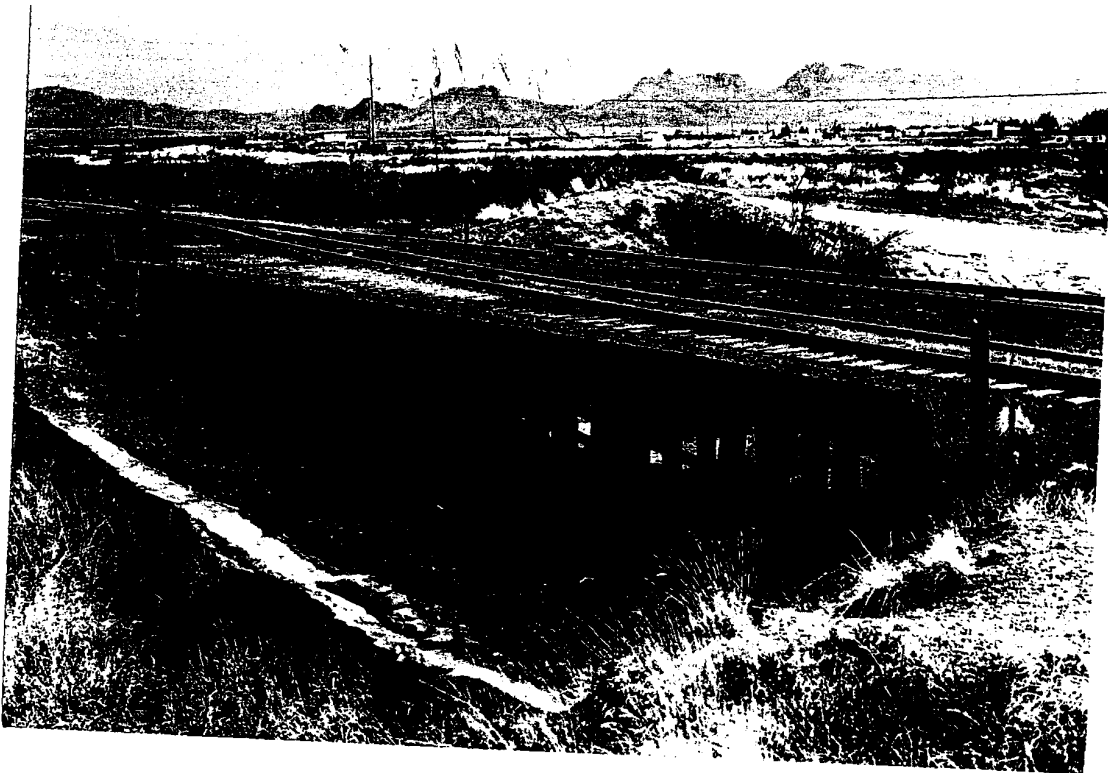


Scene Type Ballast Deck Bridge
Location MP 1058.59

Size 120 Foot



Douglas Branch
Milepost 1108



Douglas Branch
Milepost 1107.5



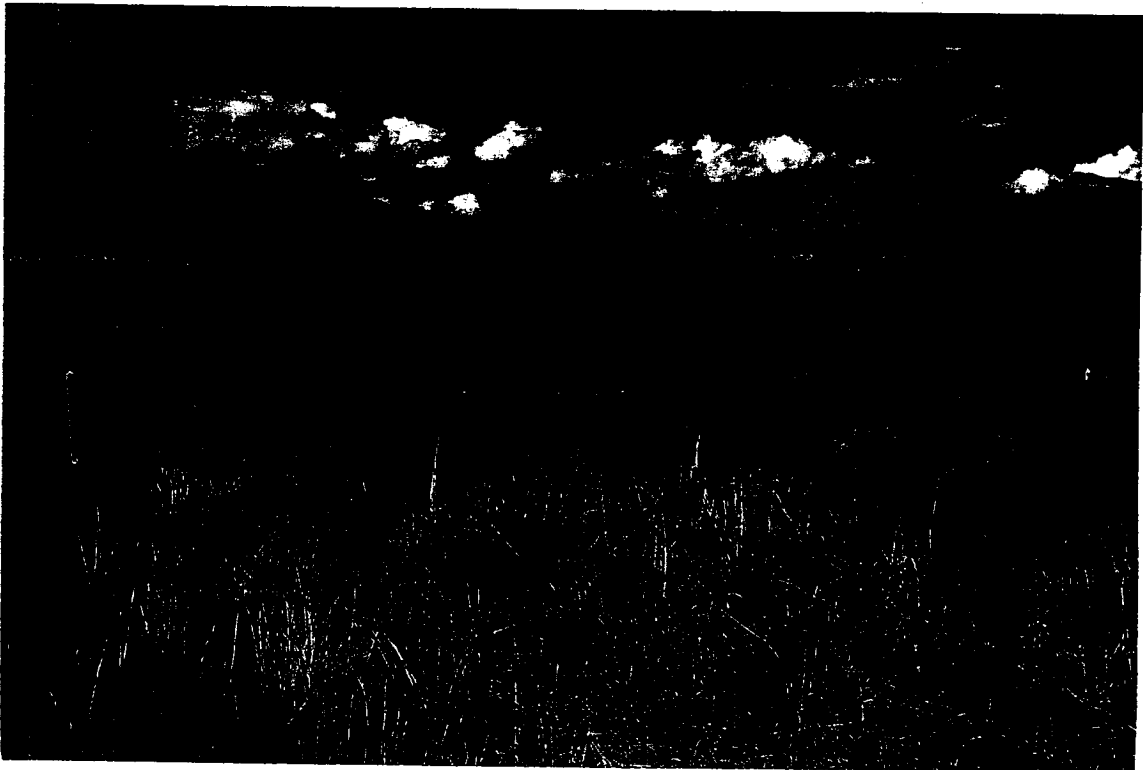
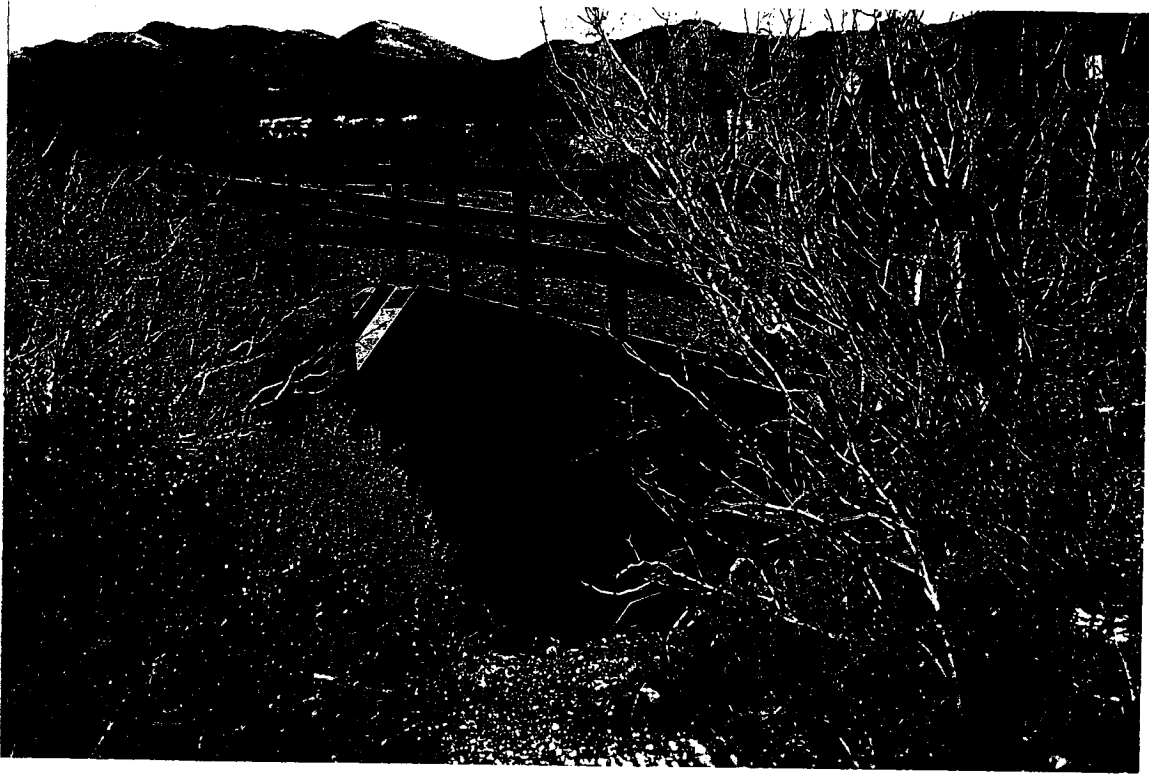
Douglas Branch
Milepost 1106.4



Douglas Branch
Milepost 1104.2



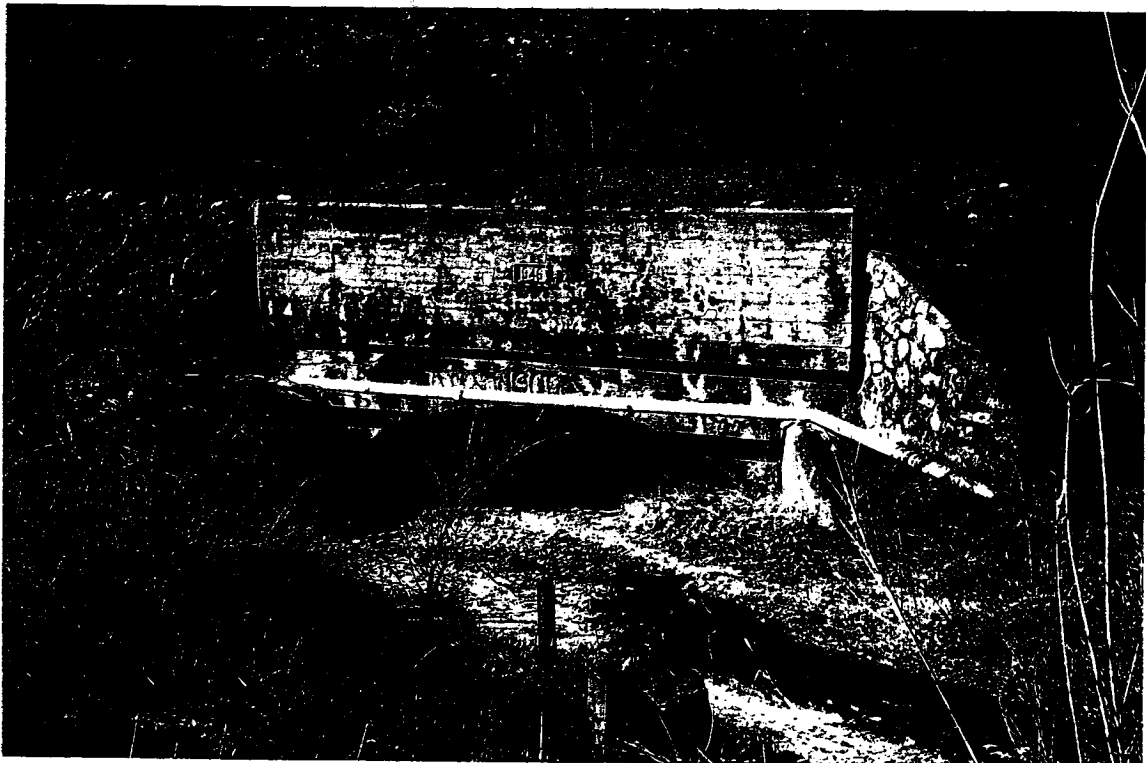
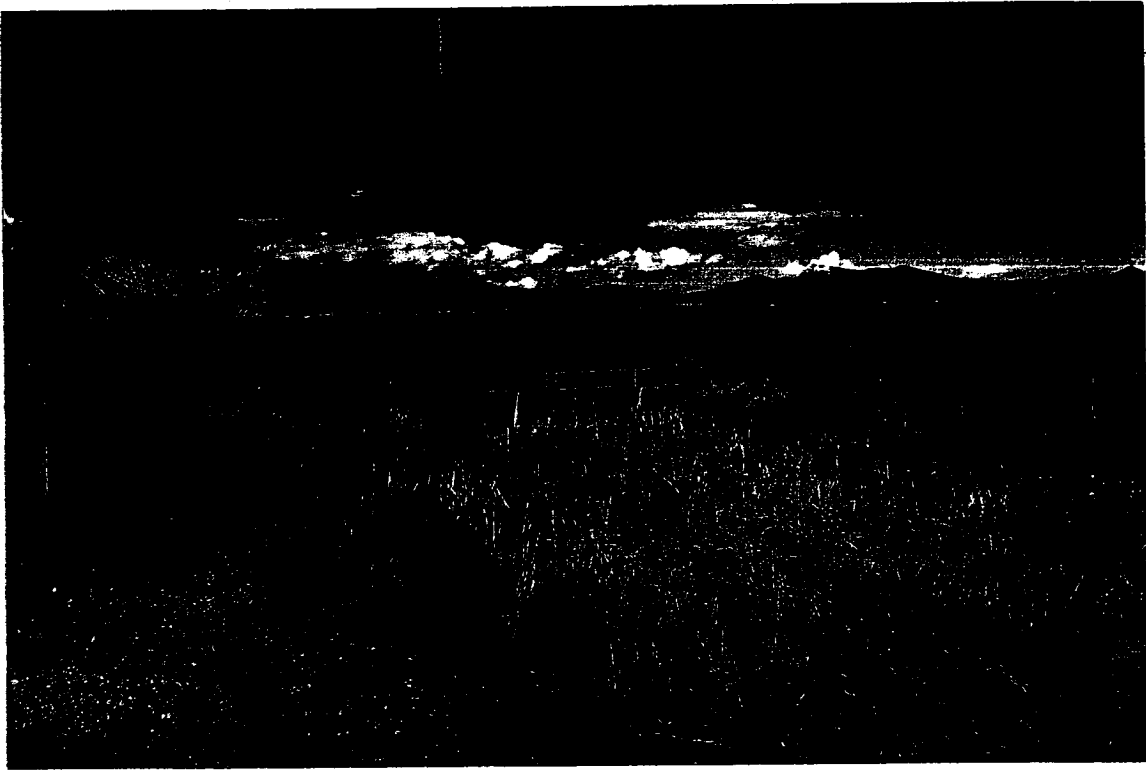
Bisbee Branch



Bisbee Branch



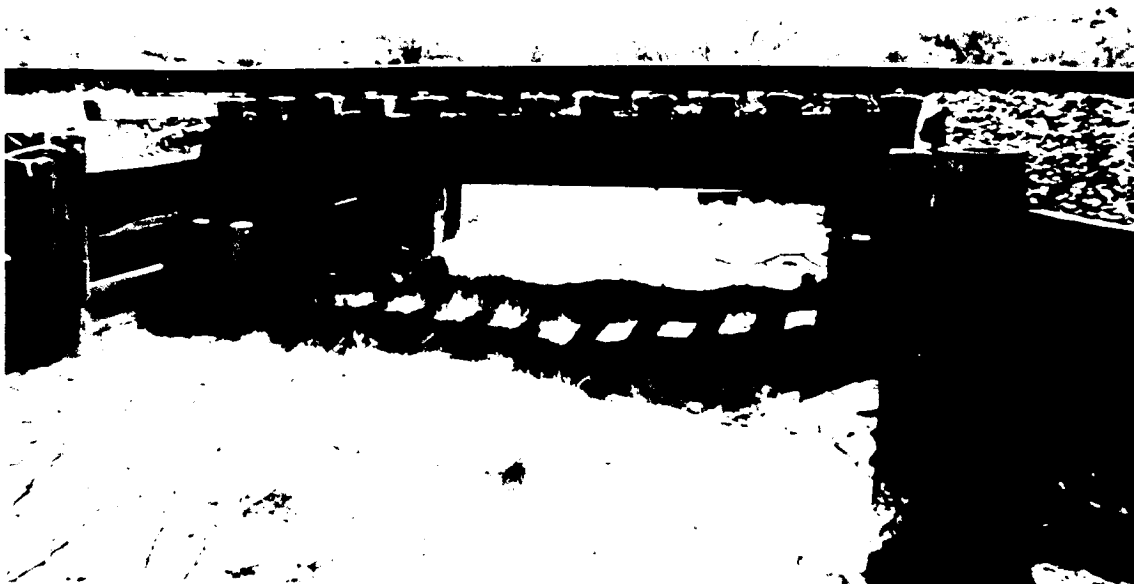
Bisbee Branch



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	7.58
Line Segment	Division:					Bridge Over	WASH
Bridge Type	ODT	BDT	PrestConc	Stl	Truss	Deck Type	(Open) Ballast
No. of Tracks	1	Number of Spans			1	Vertical Clearance	3'
Date Built	Length per Span				15	Horiz. Track Align.	(Tangent) Curve Spiral



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	7.70
Line Segment	Division:					Bridge Over	6.124
Bridge Type	<input checked="" type="radio"/> OT	<input type="radio"/> BDT	<input type="radio"/> PrestConc	<input type="radio"/> Stl	<input type="radio"/> Truss	Deck Type	<input checked="" type="radio"/> Open <input type="radio"/> Ballast
No. of Tracks	1					Number of Spans	6
Date Built						Vertical Clearance	4
	Length per Span					Horiz. Track Align.	<input checked="" type="radio"/> Tangent <input type="radio"/> Curve <input type="radio"/> Spiral



BRIDGE

Sheet of

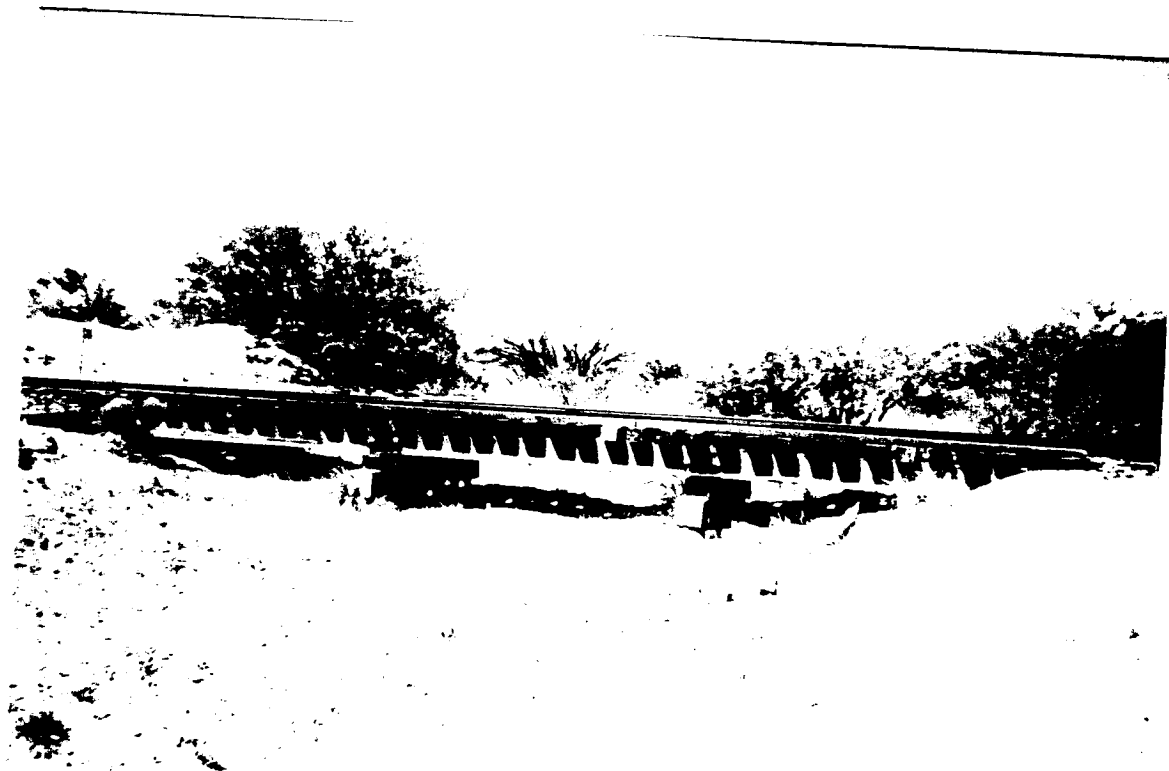
Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	3.10
Line Segment	Division:					Bridge Over	WASH
Bridge Type	(JDT)	BDT	PrestConc	Stl	Truss	Deck Type	Open Ballast
No. of Tracks	1	Number of Spans			4	Vertical Clearance	2.5
Date Built	Length per Span			15	Horiz. Track Align.		
					(Tangents) Curve Spiral		



BRIDGE

Sheet of

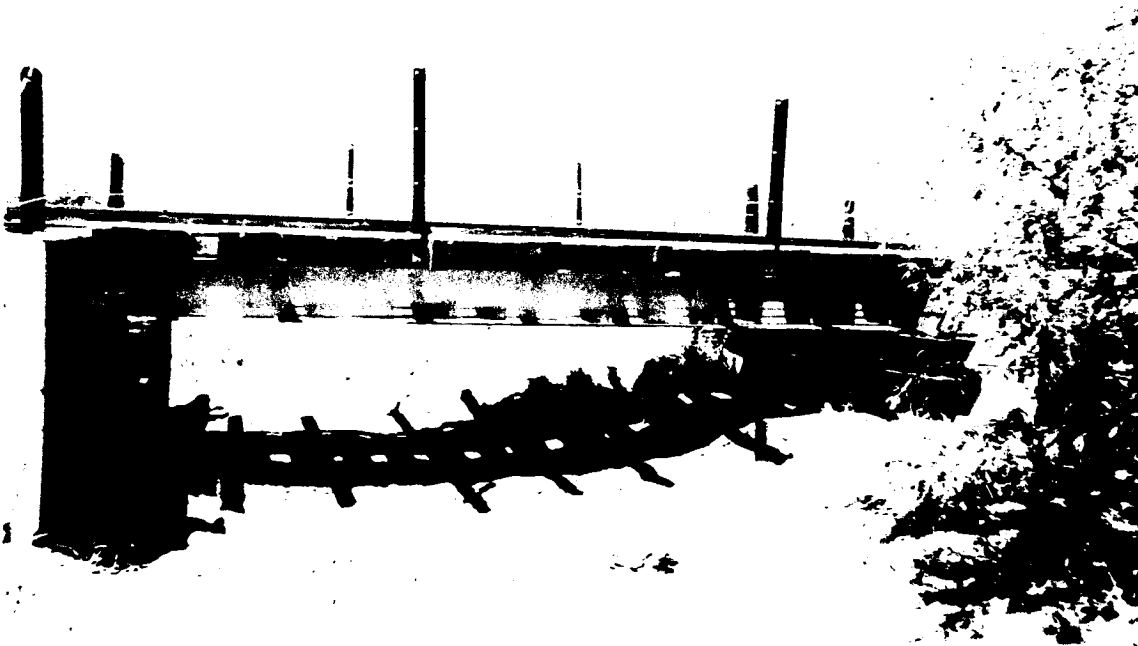
Railroad	San Pedro & Southwestern Railroad				Bridge No. / MP	9.97
Line Segment	Division:				Bridge Over	W. 45 N
Bridge Type	<input checked="" type="radio"/> DDT	<input type="radio"/> BDT	<input type="radio"/> PrestConc	<input type="radio"/> Stil	<input type="radio"/> Truss	Deck Type <input checked="" type="radio"/> Open <input type="radio"/> Ballast
No. of Tracks	1	Number of Spans			3	Vertical Clearance 15 - 2'
Date Built	Length per Span			15	Horiz. Track Align.	<input checked="" type="radio"/> Tangent <input type="radio"/> Curve <input type="radio"/> Spiral



BRIDGE

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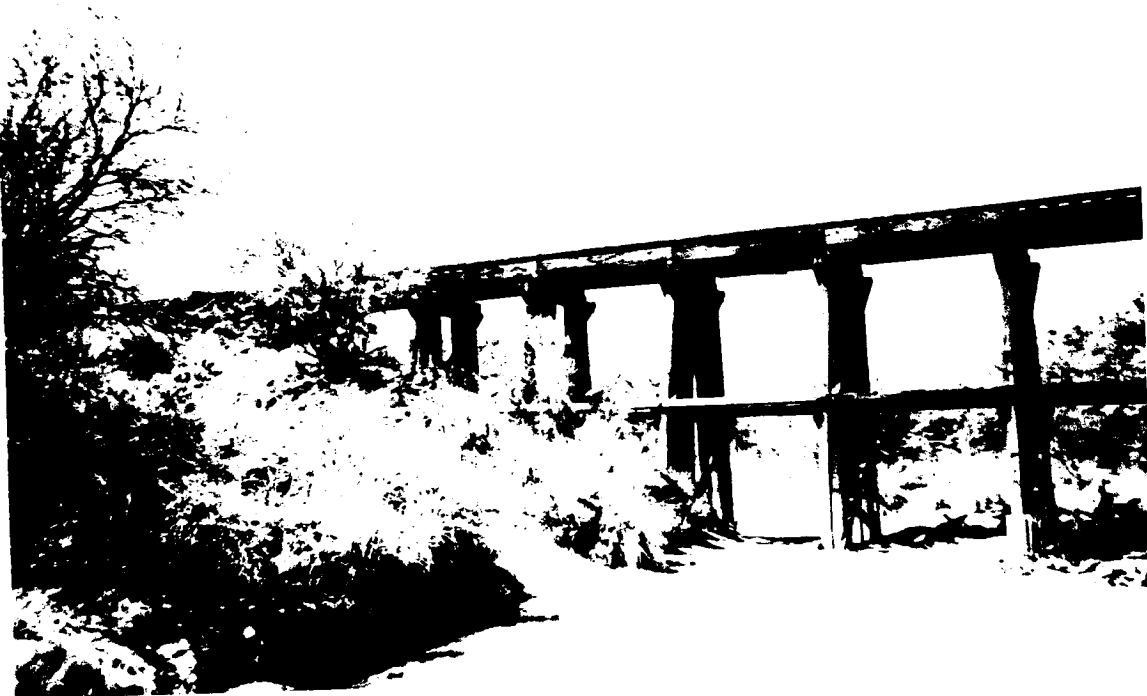
Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	16.44
Line Segment	Division:					Bridge Over	2511
Bridge Type	DOT	BDT	PrestConc	Stl	Truss	Deck Type	Open Ballast
No. of Tracks	1	Number of Spans				Vertical Clearance	4
Date Built	Length per Span				23	Horiz. Track Align.	Tangent Curve Spiral



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad				Bridge No. / MP	11.40
Line Segment	Division:				Bridge Over	15.11
Bridge Type	(ODT)	BDT	PrestConc	Stl	Truss	Deck Type (Open) Ballast
No. of Tracks	1	Number of Spans			11	Vertical Clearance 25
Date Built	Length per Span			14	Horiz. Track Align.	Tangent Curve Spiral



BRIDGE

Sheet of

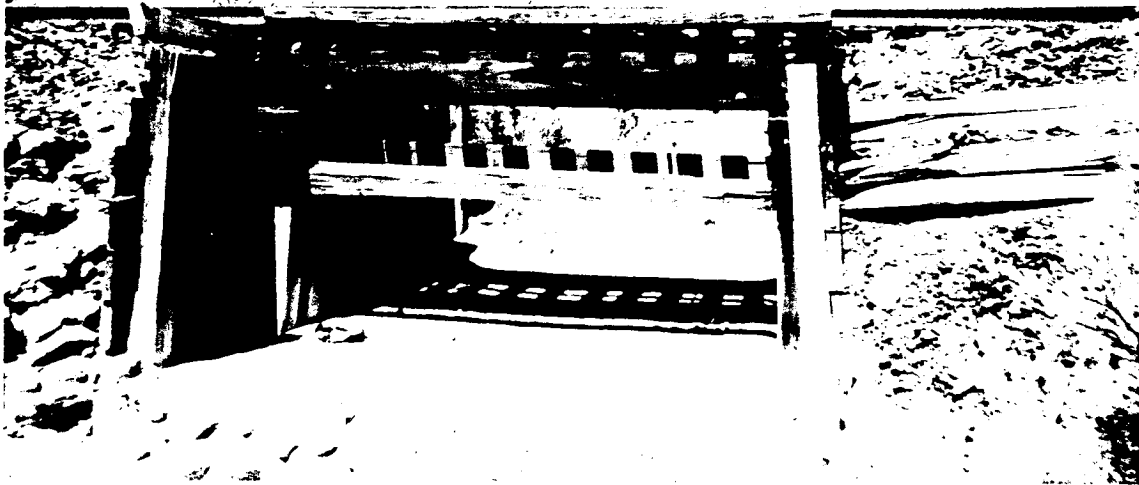
Railroad	San Pedro & Southwestern Railroad				Bridge No. / MP	11.78
Line Segment	Division:				Bridge Over	WASH
Bridge Type	DOT	BDT	PrestConc	Stl	Truss	Deck Type
No. of Tracks	1	Number of Spans			5	Vertical Clearance
Date Built	Length per Span				32	Horiz. Track Align.
					Tangent	Curve
					Spiral	



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad				Bridge No. / MP	12.96
Line Segment	Division:				Bridge Over	W. 15th
Bridge Type	<input checked="" type="radio"/> DT	<input type="radio"/> BDT	<input type="radio"/> PrestConc	<input type="radio"/> Stl	<input type="radio"/> Truss	Deck Type <input checked="" type="radio"/> Open <input type="radio"/> Ballast
No. of Tracks	1	Number of Spans			Vertical Clearance	
Date Built		Length per Span			Horiz. Track Align.	<input checked="" type="radio"/> Tangent <input type="radio"/> Curve <input type="radio"/> Spiral



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	13.52
Line Segment	Division:					Bridge Over	6.75 H
Bridge Type	<input checked="" type="radio"/> ODT	<input type="radio"/> BDT	<input type="radio"/> PrestConc	<input type="radio"/> Stl	<input type="radio"/> Truss	Deck Type	<input checked="" type="radio"/> Open <input type="radio"/> Ballast
No. of Tracks	1	Number of Spans			5	Vertical Clearance	6.7
Date Built	Length per Span			14	Horiz. Track Align. <input checked="" type="radio"/> Tangent <input type="radio"/> Curve <input type="radio"/> Spiral		



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	13.77
Line Segment	Division					Bridge Over	W 45th
Bridge Type	DOT	BDT	PrestConc	Stl	Truss	Deck Type	Open (Ballast)
No. of Tracks	1	Number of Spans			3	Vertical Clearance	20'-22'
Date Built	Length per Span			14	Horiz. Track Align. Tangent Curve Spiral		



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad				Bridge No. / MP	14.16
Line Segment	Division:				Bridge Over	C. 45H
Bridge Type	DDT	BDT	PrestConc	Stl	Deck Type	Open (Ballast)
No. of Tracks	1	Number of Spans			Vertical Clearance	16
Date Built	Length per Span			14	Horiz. Track Align.	Tangent Curve Spiral



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	14.57
Line Segment	Division:					Bridge Over	San Pedro
Bridge Type	<input checked="" type="radio"/> DT	<input type="radio"/> BDT	<input type="radio"/> PrestConc	<input type="radio"/> Stl	<input type="radio"/> Truss	Deck Type	<input checked="" type="radio"/> Open Ballast
No. of Tracks	Number of Spans					Vertical Clearance	12
Date Built	Length per Span					Horiz. Track Align.	<input checked="" type="radio"/> Tangent <input type="radio"/> Curve <input type="radio"/> Spiral



BRIDGE

Railroad	San Pedro & Southwestern Railroad				Bridge No. / MP	Sheet 16 of 23
Line Segment	Division	PrestConc	Stl	Truss	Bridge Over	9511
Bridge Type	DOT	BDT			Deck Type	Open Ballast
No. of Tracks		Number of Spans	4		Vertical Clearance	18
Date Built		Length per Span	14		Horiz. Track Align.	Transverse Curve Spiral



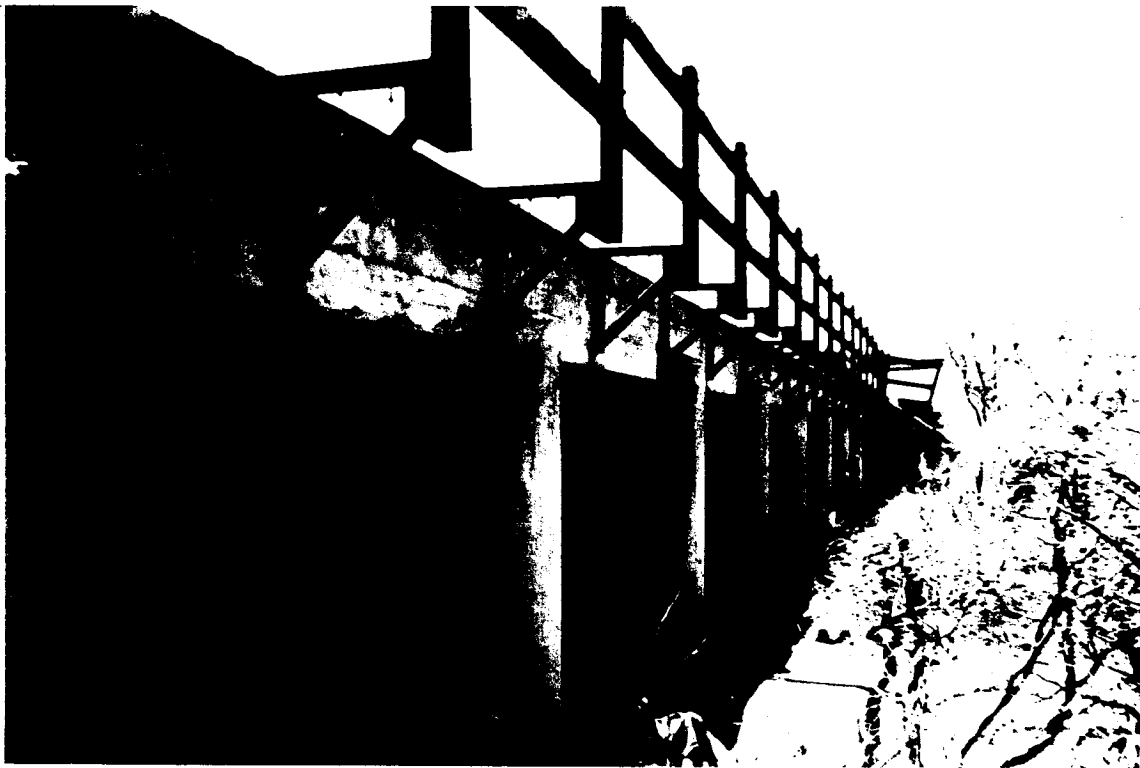
BRIDGE

San Pedro & Southwestern Railroad		Sheet	of
Railroad		18	16
Line Segment		San Pedro River	
Bridge Type		Open Ballast	
No. of Tracks		25	
Date Built		Tangent Curve Spiral	
Division	BDT	PrestrConc	Stl
DOT		Number of Spans	4
		Length per Span	90
		Bridge No. / MP	
		Bridge Over	
		Deck Type	
		Vertical Clearance	
		Horiz. Track Align.	



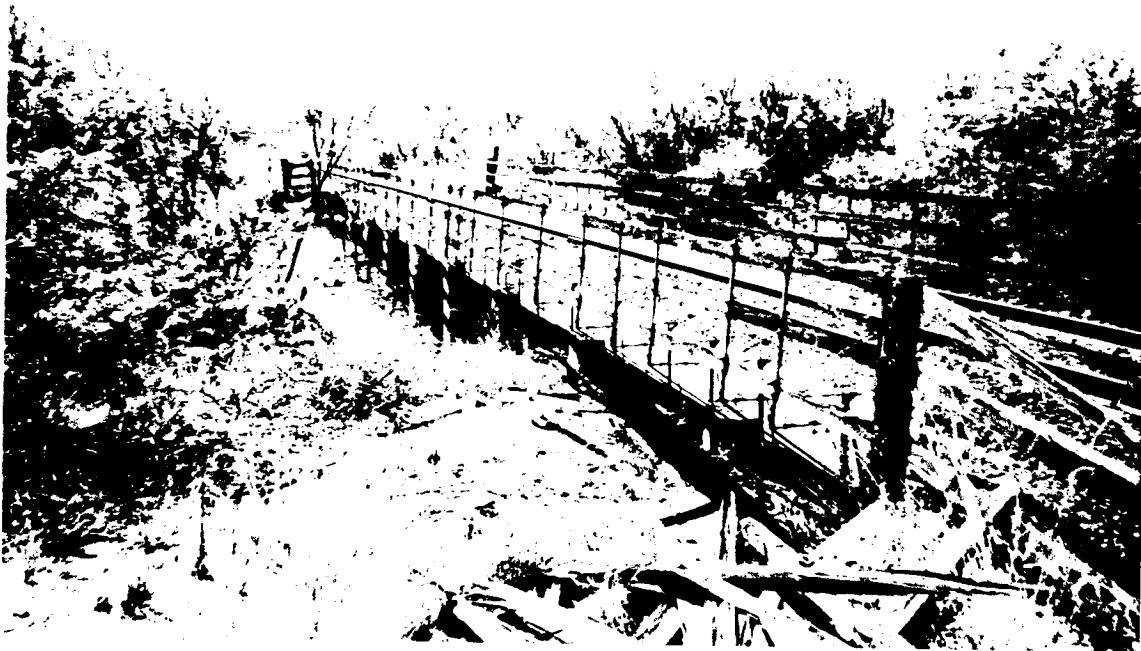
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Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	13.70
Line Segment	Division:					Bridge Over	Wash
Bridge Type	DOT	BDT	Prest Conc	Stl	Truss	Deck Type	Open (Ballast)
No. of Tracks	1	Number of Spans				Vertical Clearance	6 7
Date Built	Length per Span				12	Horiz. Track Align.	Tangent Curve Spiral



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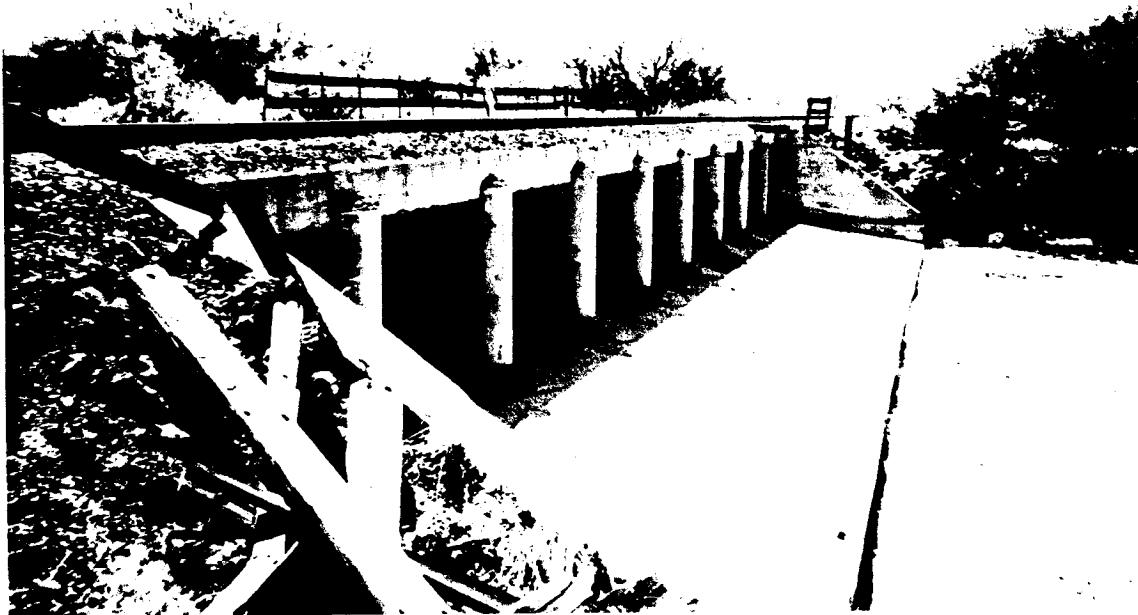
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Railroad	San Pedro & Southwestern Railroad		Bridge No. / MP <u>18.82</u>
Line Segment	Division:		Bridge Over <u>194</u>
Bridge Type	<input checked="" type="checkbox"/> OT <input type="checkbox"/> BOT <input checked="" type="checkbox"/> Prest/Conc <input type="checkbox"/> Stl <input type="checkbox"/> Truss	Deck Type <u>Open Ballast</u>	
No. of Tracks	<u>1</u>	Number of Spans	<u>9</u>
Date Built		Length per Span	<u>12</u>
		Horiz. Track Align.	<u>Tangent</u> <input type="checkbox"/> Curve <input type="checkbox"/> Spiral <input type="checkbox"/>



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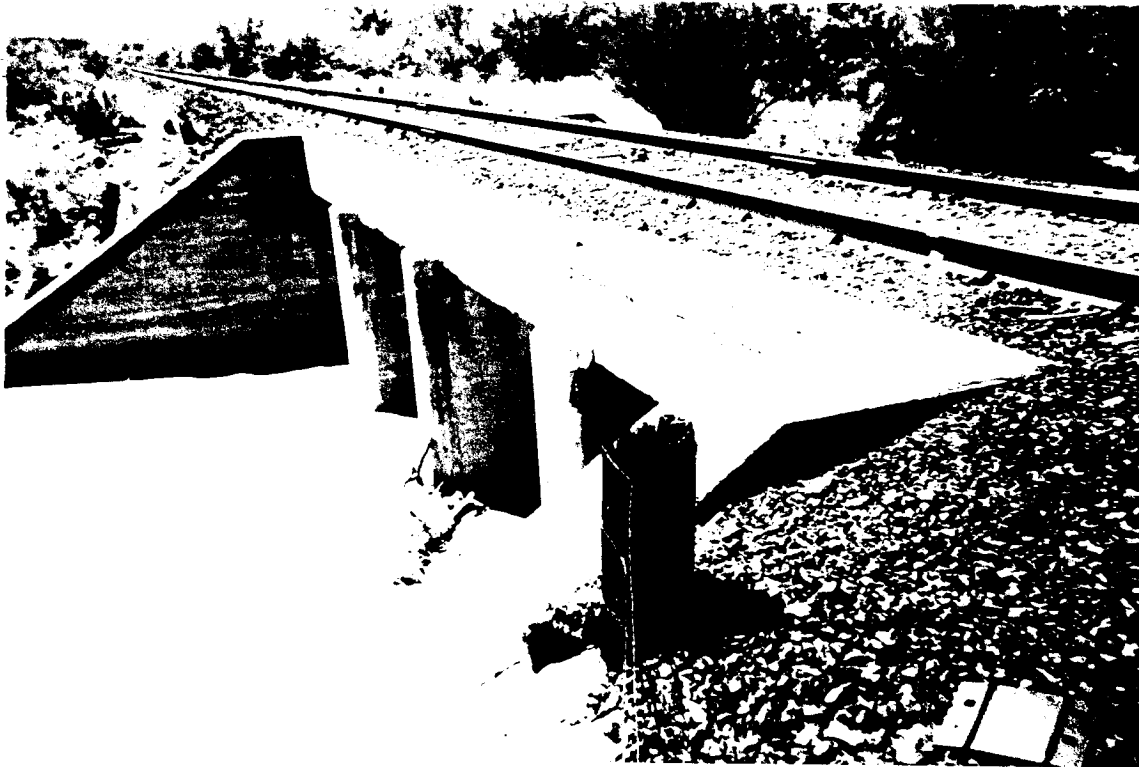
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Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	1894
Line Segment	Division:					Bridge Over	Tombstone Gulch
Bridge Type	ODT	BDT	Prest/Conc	Stl	Truss	Deck Type	Open Ballast
No. of Tracks	1	Number of Spans				Vertical Clearance	3-8'
Date Built	Length per Span				12	Horiz. Track Align.	Tangent Curve Spiral



BRIDGE

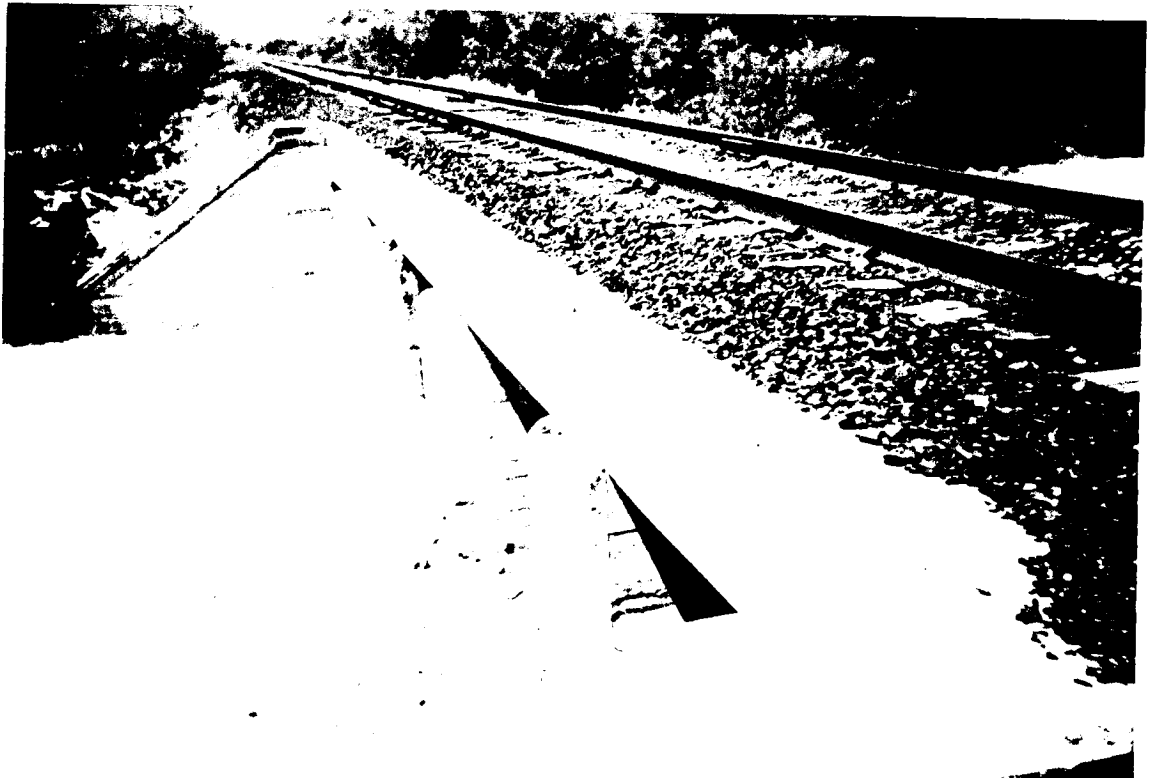
		Sheet	of
Railroad	San Pedro & Southwestern Railroad	Bridge No. / MP	2014
Line Segment	Division:	Bridge Over	WASH
Bridge Type	ODT BDT - Prestri Conc. Stl Truss	Deck Type	Open Ballast
No. of Tracks	1	Vertical Clearance	8
Date Built		Length per Span	12.5
		Horiz. Track Align.	Tangent Curve Spiral



BRIDGE

Sheet of

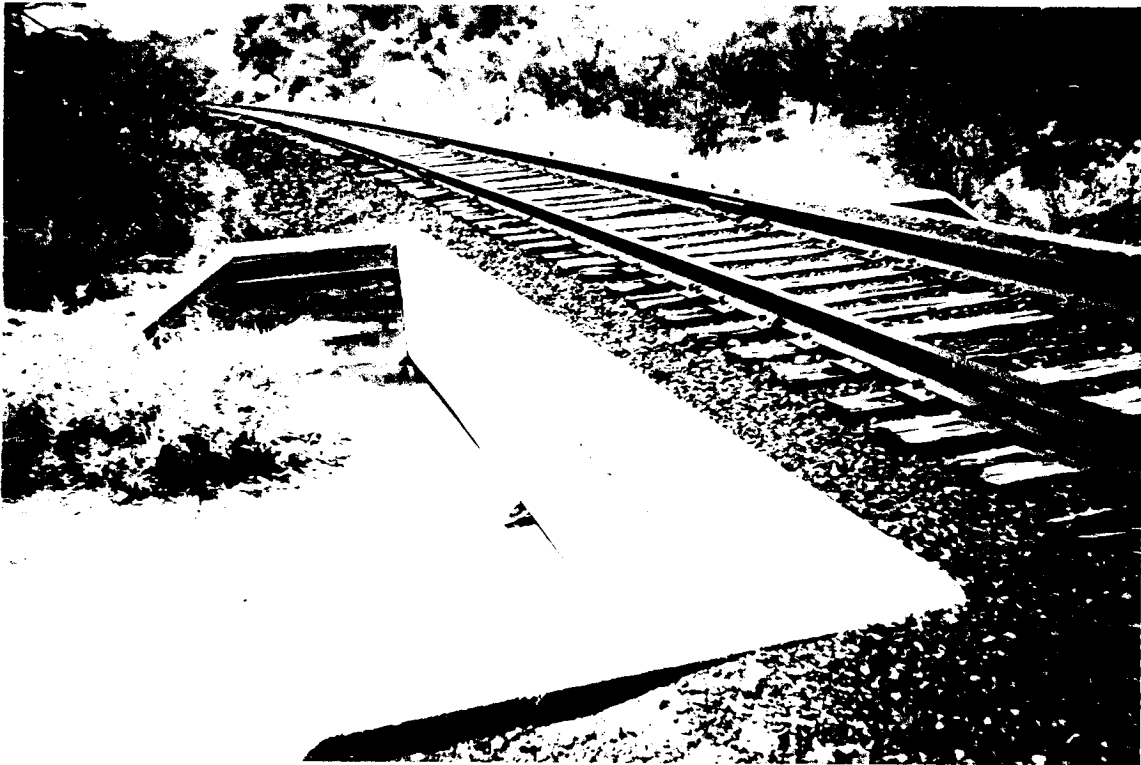
Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	21.1
Line Segment	Division:					Bridge Over	15th
Bridge Type	ODT	BDT	PrestConc	Stl	Truss	Deck Type	Open <u>Ballast</u>
No. of Tracks	1	Number of Spans				Vertical Clearance	7
Date Built	Length per Span				12	Horiz. Track Align.	Tangent Curve <u>Spiral</u>



BRIDGE

Sheet of

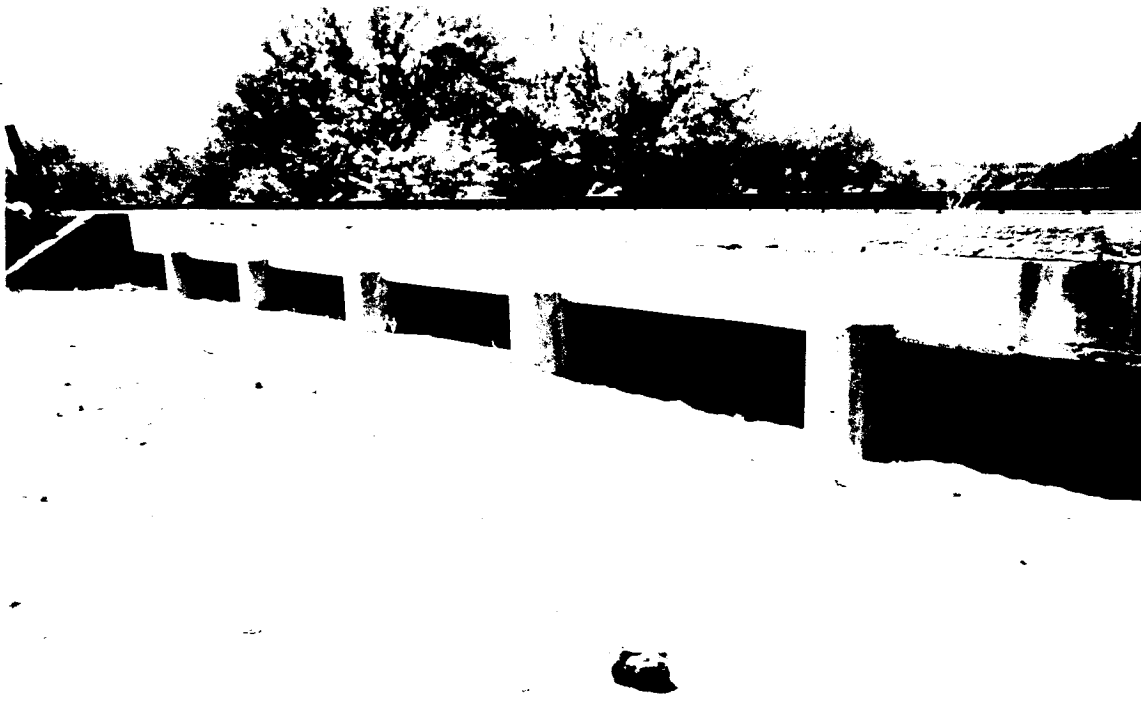
Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	21.75
Line Segment	Division:					Bridge Over	W. 8th
Bridge Type	DOT	BDT	Prest Conc	Stl	Truss	Deck Type	Open Ballast
No. of Tracks	1	Number of Spans				Vertical Clearance	8'
Date Built		Length per Span				Horiz. Track Align.	Tangent Curve Spiral



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	23.70
Line Segment	Division:					Bridge Over	456
Bridge Type	DDT	BDT	Prest Conc	Stl	Truss	Deck Type	Open (Ballast)
No. of Tracks	1	Number of Spans				Vertical Clearance	25'
Date Built	Length per Span				12	Horiz. Track Align.	Tangent Curve Spiral



BRIDGE

Sheet of

Railroad	San Pedro & Southwestern Railroad					Bridge No. / MP	25.70
Line Segment	Division:					Bridge Over	WASH
Bridge Type	ODT	BDT	Prest Conc	Stl	Truss	Deck Type	Open Ballast
No. of Tracks	/					Vertical Clearance	20
Date Built	/					Horiz. Track Align.	Tangent Curve Spiral
	Number of Spans						
	Length per Span						

S. P. & S. W. R. R.



RULE 5.8.2

**PRIVATE AND PUBLIC GRADE CROSSINGS
REQUIRING WHISTLE BLOWING AND BELL**

Type	Gates	Milepost
Public	No	8.3
Private	No	8.7
Private	No	15.99
Private	No	20.9
Private	No	21.45
Public	Yes	26.2
Private	No	30.1
Public	No	40.1
Private	No	40.7
Private	No	42.8
Public	No	52.0
Public	Yes	52.7
Public	No	55.8
Private	No	57.99
Private	No	58.2
Private	No	62
Private	No	63.97

ATTACHMENT 9

JOHN D. HEFFNER, PLLC

1920 N STREET, N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

May 11, 2005

Arizona State Parks
1300 West Washington
Phoenix, AZ 85007

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

To Whom It may Concern:

This letter is to advise you that San Pedro Railroad Operating Company, LLC (SPROC) proposes to discontinue service over, and abandon, four segments of its rail line, all in Cochise County, AZ (the subject lines). The subject lines include (1) the line of railroad extending between milepost 1085.0 at Bisbee Junction, AZ, and milepost 1090.6 at Bisbee, AZ, a distance of 5.6 miles; (2) the line of railroad extending between milepost 1097.3 near Paul Spur, AZ, and milepost 1106.5 near Douglas, AZ, a distance of 9.2 miles; (3) the line of railroad extending between milepost 1055.8 near Charleston, AZ, and milepost 1097.3 near Paul Spur, AZ, a distance of 41.5 miles; and (4) the line of railroad extending between milepost 1040.15 near Curtiss, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 15.65 miles. On or about June 1, 2005, SPROC will seek Surface Transportation Board (STB) authorization to accomplish the proposed discontinuance and abandonment by filing an individual petition for exemption from the provisions of the 49 USC 10903. This line traverses U.S. Postal Service zip codes 85602, 85603, 85607, and 85615.

Enclosed is a draft Environmental and Historic Report ("EHR"), a document which SPROC must complete and file with the STB as a component of its abandonment filing. The draft EHR explains in greater detail the scope of the proposed rail line abandonment, including a more particular description of the rail line in question. We have also enclosed a map which

should assist in your review of the environmental and/or historic impacts (if any) which may arise as a consequence of the abandonment or salvage of the rail structure on this line.

In connection with this abandonment, Applicant is required by the STB's regulations (at 49 C.F.R. 1105) to prepare as part of its Application an Environmental and Historic Report addressing the following issues:

- (I) Are sites or structures listed in the National Register of Historic Places affected? If so, describe the effects.

To the best of Applicant's knowledge, no site or structures listed in the National Register of Historic Places will be affected.

- (ii) Will sites or structures 50 years old or older be affected? If so, and such sites or structures are not listed in the National Register of Historic Places, Applicant would submit, at the earliest possible juncture, a description of the line, including a map, as well as photographs and descriptions of such structures to the appropriate State Historic Preservation Office for review and include a copy of the cover letter in the Environmental and Historic Report.

Per Applicant's communications with William Collins in your office, Applicant will not provide a detailed map or color photographs of structures along the line but will provide a less detailed map along with black-and-white copies of photographs included in previous abandonment proceedings pertaining to the subject lines..

- (iii) Will culturally significant locations, archaeological sites, or unique land forms be affected? If so, applicant should consult with the involved State Historic Preservation Office.

To the best of Applicant's knowledge, no culturally significant locations, archaeological sites, or unique land forms will be affected.

A copy of the draft report is enclosed for your review.

We appreciate your cooperation. If you have any questions regarding the enclosed materials, please contact me at the address and phone number at the top of this letter.

Sincerely,



John D. Heffner
Attorney for
San Pedro Railroad Operating Company, LLC

ATTACHMENT 10

JOHN D. HEFFNER, PLLC

1920 N STREET, N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

May 11, 2005

National Oceanic and Atmospheric Administration
National Geodetic Survey
1316 East-West Highway
Silver Spring, MD 20910-3282

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

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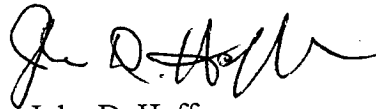
should assist in your review of the environmental and/or historic impacts (if any) which may arise as a consequence of the abandonment or salvage of the rail structure on this line.

We have contacted you at this time to seek your assistance in completing the EHR. You will note that the EHR addresses issues pertaining to impacts on the National Geodetic Survey activities and projects – particular issues for which we seek your comment. We encourage you to review the enclosed draft EHR, and contact me, John D. Heffner, within 30 days of the date of this letter, with any feedback or guidance that you may be able to offer. Your feedback will be incorporated into the final EHR, which, as we have mentioned, will be delivered to the STB.

Applicants have not yet filed their abandonment petition at the STB. However, at such time as Applicants submit their request to abandon service over the line in question, we will serve you with copies of the request and the final EHR. At that time, if not sooner, we will supply you with information sufficient for you to issue comments directly to the STB's Section of Environmental Analysis as well as to us.

We appreciate your cooperation. If you have any questions regarding the enclosed materials, please contact me at the address and phone number at the top of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Heffner", written in a cursive style.

John D. Heffner
Attorney for
San Pedro Railroad Operating Company, LLC

ATTACHMENT 11

JOHN D. HEFFNER, PLLC

1920 N STREET, N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

May 11, 2005

Manager – Rail Planning
Arizona Department of Transportation
206 S. 17th Avenue – Room 330B
Phoenix, AZ 85007-3213

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

To Whom It may Concern:

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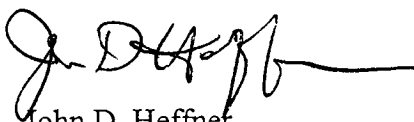
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We appreciate your cooperation. If you have any questions regarding the enclosed materials, please contact me at the address and phone number at the top of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Heffner", followed by a long horizontal flourish.

John D. Heffner

Attorney for

San Pedro Railroad Operating Company, LLC

ATTACHMENT 12

JOHN D. HEFFNER, PLLC

1920 N STREET, N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

May 11, 2005

Arizona State Clearinghouse
3800 North Central Avenue
Fourteenth Floor
Phoenix, AZ 85012

Re: STB Docket AB-No. 441 Sub-No. 4X
San Pedro Railroad Operating Company, LLC
Abandonment Exemption

To Whom It may Concern:

This letter is to advise you that San Pedro Railroad Operating Company, LLC (SPROC) proposes to discontinue service over, and abandon, four segments of its rail line, all in Cochise County, AZ (the subject lines). The subject lines include (1) the line of railroad extending between milepost 1085.0 at Bisbee Junction, AZ, and milepost 1090.6 at Bisbee, AZ, a distance of 5.6 miles; (2) the line of railroad extending between milepost 1097.3 near Paul Spur, AZ, and milepost 1106.5 near Douglas, AZ, a distance of 9.2 miles; (3) the line of railroad extending between milepost 1055.8 near Charleston, AZ, and milepost 1097.3 near Paul Spur, AZ, a distance of 41.5 miles; and (4) the line of railroad extending between milepost 1040.15 near Curtiss, AZ, and milepost 1055.8 near Charleston, AZ, a distance of 15.65 miles. On or about June 1, 2005, SPROC will seek Surface Transportation Board (STB) authorization to accomplish the proposed discontinuance and abandonment by filing an individual petition for exemption from the provisions of the 49 USC 10903. This line traverses U.S. Postal Service zip codes 85602, 85603, 85607, and 85615.

Enclosed is a draft Environmental and Historic Report ("EHR"), a document which SPROC must complete and file with the STB as a component of its abandonment filing. The draft EHR explains in greater detail the scope of the proposed rail line abandonment, including a more particular description of the rail line in question. We have also enclosed a map which

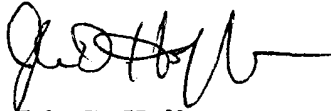
should assist in your review of the environmental and/or historic impacts (if any) which may arise as a consequence of the abandonment or salvage of the rail structure on this line.

We have contacted you at this time to seek your assistance in completing the EHR. You will note that the EHR addresses issues pertaining to land use plans, transportation needs, energy resources, air quality, water quality, and noise – particular issues for which we seek your comment. See, item 2- 6, 8 and 9 of the EHR at pages 2-9. We encourage you to review the enclosed draft EHR, and contact me, John D. Heffner, within 30 days of the date of this letter, with any feedback or guidance that you may be able to offer. Your feedback will be incorporated into the final EHR, which, as we have mentioned, will be delivered to the STB.

Applicants have not yet filed their abandonment petition at the STB. However, at such time as Applicants submit their request to abandon service over the line in question, we will serve you with copies of the request and the final EHR. At that time, if not sooner, we will supply you with information sufficient for you to issue comments directly to the STB's Section of Environmental Analysis as well as to us.

We appreciate your cooperation. If you have any questions regarding the enclosed materials, please contact me at the address and phone number at the top of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'John D. Heffner', with a long horizontal flourish extending to the right.

John D. Heffner

Attorney for

San Pedro Railroad Operating Company, LLC